PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 516 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2010–2011

COMPRISING PERIOD
11 October 2010—22 October 2010

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11 October 2010

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2010]

FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 516**

SEVENTH VOLUME OF SESSION 2010-2011

House of Commons

Monday 11 October 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION

The Secretary of State was asked—

School Bullying (Children with Allergies)

1. **Jo Swinson** (East Dunbartonshire) (LD): What recent representations he has received on the bullying in schools of children with allergies. [16445]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): The Secretary of State and the ministerial team have not received any recent representation on the bullying of children with allergies.

Jo Swinson: I thank the Minister for that answer. I chaired a meeting of the all-party group on allergies at which a number of children spoke about their experiences of potentially life-threatening bullying in schools. For example, they had foods to which they are severely allergic forced upon them. Some schools' response to that was commendable, but in others it was not taken seriously. Would the Minister be happy to meet me and a group of these children to discuss their experiences of that problem and potential solutions?

Tim Loughton: I am grateful to my hon. Friend for raising that point. I pay tribute to the good work that she has done with the all-party group. She secured a debate on the subject and has raised the matter on numerous other occasions. I would be delighted to meet a group of representatives. I met a large body of young people who have long-term conditions who came to lobby us about their circumstances at school. The problem affects 18 million people throughout the country and it shows no sign of abating among younger people, so I am more than happy to take forward her offer.

Ofsted (Inspection Assessments)

2. **Tony Baldry** (Banbury) (Con): If he will discuss with Ofsted its arrangements for measuring value added by schools. [16446]

The Minister of State, Department for Education (Mr Nick Gibb): The Department has regular discussions with Ofsted about its approach to school inspection, including its assessments of pupils' educational attainment and achievement. That engagement will continue as Ofsted develops a new streamlined and refocused inspection framework built around the core areas of pupil achievement, teaching, leadership and behaviour and safety.

Tony Baldry: Can my hon. Friend assure me that the achievements of schools, such as Banbury school, which have challenging catchment areas will be fairly reflected in Ofsted inspection reports?

Mr Gibb: I can give my hon. Friend that assurance. Ofsted takes into account not just raw attainment at schools but the progress of pupils. Between September 2009 and March 2010, of schools in challenging areas, 10% were awarded the outstanding grading, compared with 11% of all schools.

Toby Perkins (Chesterfield) (Lab): Two head teachers in Chesterfield told me how liberating it was for them when contextual value added measures were put in place and there was finally acknowledgement of the tough circumstances under which they performed their roles. Does the Minister agree that the CVA measures, as a key part of the inspection that assists parents, help parents to assess the strengths of teaching at a school, not just the strengths of an intake?

Mr Gibb: May I congratulate the hon. Gentleman on his appointment? I look forward to working closely with him to achieve our shared objective, which is to close the attainment gap between those from wealthier and those from poorer backgrounds. I assure him that, in Ofsted inspections, the progress of pupils is as important as the absolute level of attainment. Value added figures, whether the current CVA figure or a review figure that measures progress, are important in all Ofsted inspections.

Special Educational Needs

4. **Robert Flello** (Stoke-on-Trent South) (Lab): What his policy is on the provision of support for children with special educational needs. [16448]

The Minister of State, Department for Education (Sarah Teather): To deliver the Government's commitments on special educational needs, I am publishing a Green Paper later this year to look at the wide range of issues concerning children with special educational needs and disabilities. To inform this important work, I have issued a call for views and have met parents, teachers, local authorities, charities and other groups. I am also considering the findings of recent reviews, including the recent report from Ofsted.

Robert Flello: I am grateful to the Minister for that answer and I congratulate the new Opposition Front Benchers on their appointment.

In some schools, support staff provided for statemented children are being redirected to other children by head teachers who use such staff almost as a floating resource. Can the Minister assure me that she will look into that matter as a great priority?

Sarah Teather: I thank the hon. Gentleman for raising that point. I understand from my discussion with him prior to questions that a specific issue is concerning him and has led him to ask that question. I wonder whether he will be good enough to write to me because it would concern me greatly if schools were redirecting to other children resources that were supposed to be allocated to children who have a statement in special educational needs. It would be useful to have his feedback in advance of the Green Paper.

John Howell (Henley) (Con): I welcome the Minister's commitment to children with special educational needs. My constituency has schools with well in excess of 50% of pupils on the special educational needs register. How will the Minister encourage Ofsted to look at the bigger picture when it comes to its assessments, because the problems are often complex?

Sarah Teather: My hon. Friend is correct to say that the problems are complex. It is absolutely right that school inspections take account of how well pupils with special educational needs and disabilities are provided for, as well as how well they learn and progress. That will be an important consideration for Ofsted as it develops new inspection arrangements focused specifically on the core areas of achievement, teaching, leadership, behaviour and safety.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Minister agree that there has been a serious improvement in SEN children's facilities and support up to the age of 16? However, does she further agree that the real challenge, as anyone who has looked at the matter in detail will know, is provision from ages 16 to 18, and that things get even more challenging for parents when their children are 18?

Sarah Teather: I absolutely agree with the hon. Gentleman, with whom I have discussed this matter before. I want the Green Paper to look specifically at that. He will be aware that there are a wide range of reports on what happens in schools and special schools, and on support for children in mainstream schools and in special units that are attached to them. However, there is very little research on transition. If one issue has come out clearly from my meetings with parents and voluntary sector organisations, it is the need to think about the whole of a child's life—all the way through.

Charlotte Leslie (Bristol North West) (Con): In my constituency, many parents, particularly those from less advantaged backgrounds, fight hard to get their children's special educational needs recognised. Will my hon. Friend guarantee that she will look carefully at that?

Sarah Teather: My hon. Friend is correct to say that many families feel that they have had to battle to get their child's needs recognised, let alone catered for. That is very much why we will produce the Green Paper later this year. We are looking at how we can make the system less adversarial and how we can focus more, for example, on outcomes, and how to make the process more transparent. I hope that any parents of SEN children in her constituency who have strong views will respond to our call for views. They can go to the Department's website and submit them now to help to ensure that we frame the questions in our Green Paper correctly.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): Thank you, Mr Speaker. I am delighted to address you from the Dispatch Box for the first time.

I welcome the Minister's commitment to SEN provision. However, there is significant feeling among the SEN community that the whirlwind pace of change within the Department for Education has left little time to consider the effect that the changes will have on SEN provision, and particularly the effect that academies and free schools will have on funding from local authorities. Will she reassure the House that those ideological experiments will not take money away from council budgets for providing support to the one in five children with SEN?

Sarah Teather: May I begin by congratulating the hon. Lady on her promotion? It will be a great pleasure to debate these issues with her. I am aware that she has a long-standing interest in special educational needs—she was responsible for the passage of the Special Educational Needs (Information) Act 2008. I am sure she will be a knowledgeable opponent over the next few months, which I look forward to.

On the hon. Lady's specific question—*[Interruption.]* I am being heckled when I am trying to pay a compliment. Labour Members cannot even let me be nice to Opposition spokesperson. Goodness gracious! They should wait till next week—*[Interruption.]* There's always a last time. I

should like to answer the hon. Lady's question. On academies and free schools, she would be aware, if she had been in the Chamber for the debate on the Academies Act 2010 before the summer, that an advisory group is looking specifically at funding issues.

Special Educational Needs (Leeds North West)

5. **Greg Mulholland** (Leeds North West) (LD): What recent representations he has received on educational provision for children with special needs in Leeds North West constituency. [16451]

The Minister of State, Department for Education (Sarah Teather): There have been no representations received from Leeds local authority in relation to provision for children with special educational needs in the authority's area. School organisation and special educational provision are matters for local consultation and determination, and where there are disagreements, they may be referred to the independent schools adjudicator for consideration.

Greg Mulholland: I thank the Minister for her answer. That there have been no representations contrasts with the fact that many representations have been made to Education Leeds and similar authorities. Lucy Holmes, my constituent, has finally, after a lengthy battle—10 years—had a review of her SEN statement, in which time, of course, her needs have changed substantially. What will the new Government do to ensure that children's needs are met by reviewing statements far more frequently?

Mr Speaker: In the Leeds North West constituency.

Sarah Teather: The statement of needs is supposed to be reviewed annually, so it is a matter of concern if that is not happening and it has taken 10 years for such a review to take place. However, I should also say that too often a statement of needs is a static document that ends up in a drawer, rather than a dynamic document used as a basis for discussion and focusing on outcomes. Again, I hope that the Green Paper will begin to examine this issue.

Building Schools for the Future

6. **Bridget Phillipson** (Houghton and Sunderland South) (Lab): What assessment he has made of the effects on children from the most deprived backgrounds of the changes to the Building Schools for the Future programme. [16452]

The Secretary of State for Education (Michael Gove): The decision to end the Building Schools for the Future programme was designed to ensure that resources were targeted more effectively on the front line. It is deeply regrettable that the fiscal position that we inherited required projects to be stopped, but the capital review that we have put in place is designed to ensure that money goes to those who need it and schools are rebuilt in the areas of greatest need.

Bridget Phillipson: BSF cuts will hit deprived areas the hardest. Could the Secretary of State confirm that the poorest areas will receive the most help under the pupil premium?

Michael Gove: Yes, I absolutely can confirm that under the pupil premium the students most in need will receive the most help.

Patrick Mercer (Newark) (Con): The Secretary of State will be aware of the Grove school in Newark, where many deprived children are educated. I am grateful to him for arranging a visit by Lord Hill, but things really are desperate there. The next flood in Newark, which will come at any time now with the next heavy rainfall, will mean that they will be unable to teach at the school. Would the Secretary of State therefore be kind enough to arrange a date for the noble Lord's visit?

Michael Gove: I am grateful to my hon. Friend for the passionate way in which he makes his case. I am well aware that in Nottinghamshire, and in many other areas, schools that desperately need refurbishment and rebuilding have been denied resources. One of the reasons why we had to change the BSF programme was that it was behind on its timetable, it was inefficient in the allocation of resources and vulnerable children, such as those for whom he speaks so passionately, were losing out. I can guarantee that Lord Hill will be in touch later today to fix a precise date to see my hon. Friend.

Mr Dennis Skinner (Bolsover) (Lab): Has the Secretary of State received a report of our meeting with Jonathan Hill regarding Tibshelf community school in my constituency? The school is 100 years old, it is being held up by pit props and the teachers are having to travel six miles back and forth from Tibshelf to Deincourt community school, which is being closed by the county council. We desperately need to get this job done. The Minister said that this is a compelling case. Does the Secretary of State feel compelled to replace the school and rebuild it?

Michael Gove: The hon. Gentleman always makes a compelling case for his constituents, and I am well aware that in the part of Derbyshire that he represents resources have not been devoted to the front line as efficiently as they should have been. One of the aims of the capital review that we have put in place and of the comprehensive spending review, which will report to the House next Wednesday, is to ensure that the schools in greatest need—both secondary and primary—receive resources as quickly and efficiently as possible.

Andy Burnham (Leigh) (Lab): It is a pleasure finally to face the right hon. Gentleman across the Dispatch Box; he and I have not done this before. I hope that he will not mind my saying at the beginning that my observation of him so far in his job is that he has failed to understand the difference between being a Minister and being a journalist, displaying a fairly loose grip on the facts. He promised hundreds of free schools, but has signed off just 16; he promised thousands of academies but has so far signed up only 50; and his mistakes on the BSF programme threw schools into chaos and prompted four legal challenges from local authorities. Can he give the House a straightforward answer today? Can he confirm that he proceeded with his decision to scrap school building projects despite being explicitly warned by his civil servants that local authorities would have a "fairly strong legal case" against his Department?

Michael Gove: I thank the right hon. Gentleman for his question. First, may I congratulate him on his elevation to shadow Education Secretary? I admire the way in which he fought his leadership campaign. He

was an advocate for both modernisation and aspirational socialism, which is why, of course, he came fourth out of five, neither of those values being entirely flavour of the month in the Labour party at the moment. May I also thank him for his reference to my past as a journalist? It was a pleasure to spend some time in a job outside politics before I came into this House—I recommend it to him. May I also say that, as the permanent secretary made clear to the Select Committee when I was answering its questions back in July, the advice that it was alleged I was offered was not passed on to me?

Andy Burnham: I thank the right hon. Gentleman for his characteristic graciousness. Today he is wearing something of the air of the self-satisfied teacher's pet who has escaped the attentions of the biggest boy in the playground, but I say to him that my right hon. Friend the Member for Morley and Outwood (Ed Balls) and I are the strike force for the parliamentary football team—he softens up opponents and gives me the bullets to finish them off. I give that warning to the right hon. Gentleman.

The right hon. Gentleman's answer is typical of the cavalier way in which he is running his Department. He has got himself into a mess because of his determination to inflict a political experiment on our schools, skewing the budget towards pet projects instead of helping all schools through tough times. We have already heard that he has wasted £260 million through his botched decision making—is that what Philip Green would call a shocking waste? Will the right hon. Gentleman now tell this House how much his Department has set aside to cover the legal costs and possible compensation to local authorities caused by the mistakes that he has made?

Michael Gove: That was a fantastic question—or series of questions. I am impressed that the strike force in the Labour party parliamentary football team comes, according to the right hon. Gentleman, equipped with bullets. It says something about the approach of the right hon. Member for Morley and Outwood (Ed Balls) towards playing fair that he regards a Tommy gun as an appropriate thing to bring on to the football field.

There was a certain element of the spraying of fire in the question asked by the right hon. Member for Leigh (Andy Burnham). May I say that we will vigorously contest the judicial review of our decision? It is really important that people appreciate that the Building Schools for the Future programme had failed. Unfortunately, in 2008, instead of 200 schools being built, fewer than 50 had been built. Under the Building Schools for the Future programme, £11 million was wasted on consultants. One consultant secured the equivalent of £1.35 million, while schools in my constituency, the right hon. Gentleman's constituency and almost every hon. Member's constituency needed that resource. We will make no apology for ensuring that in the education budget money goes not to lawyers and consultants but to the front line and that 13 years of Labour failure is at last reversed by a coalition Government committed to aspiration.

Vocational Education

7. **Neil Carmichael** (Stroud) (Con): What plans he has to increase the level of provision of vocational education in schools. [16453]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): The coalition agreement committed us to improving the quality of vocational education. Alongside Professor Alison Wolf's review of such matters, we aim to open at least 12 university technical colleges offering high-quality vocational learning to 14 to 19-year-olds—schools that put vocational training at the core of their curriculum offer.

Neil Carmichael: I thank the Minister for that clear answer, which underlines the reason why he is so popular in the further education sector and elsewhere, and as regards providing apprenticeships—

Mr Dennis Skinner (Bolsover) (Lab): Get on with it.

Neil Carmichael: All right. What will be done to ensure that pupils are properly signposted towards and encouraged to take vocational training?

Mr Hayes: I think that my hon. Friend understated my popularity somewhat, but nevertheless he will know that we are entirely committed to ensuring that people get the right kind of advice about vocational options. Too often, people have lacked that advice and it is important that those with the aptitudes, tastes, talents and choices to take them down that road get proper advice and advice on progression, too.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Does the Minister accept that young people from poorer communities are often put into vocational GCSEs as an easy option, as a result of which academic subjects such as history are becoming the preserve of the elite? What steps is the Minister taking to ensure that "academic equivalence" GCSEs are not becoming the default option for poorer communities?

Mr Hayes: As a qualified history teacher, I share the hon. Gentleman's passion for the teaching of history, but I think he underestimates and undervalues—as do so many from the bourgeois class that he personifies—the significance of technical skills, craft skills and practical skills. They matter too, and the Government know it.

Academy Schools

8. **Mr James Gray** (North Wiltshire) (Con): What percentage of schools have (a) applied for and (b) been granted academy status. [16454]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): Am I up? [HON. MEMBERS: "More, more!"] I am intoxicated by the exuberance of the situation, one might say.

The Government are absolutely clear about their determination to deliver practical learning in the way that I have described, and—*[Interruption.]*

Mr Speaker: Order. The hon. Gentleman might be a tad confused—I hope not. We are on Question 8 from Mr James Gray.

The Secretary of State for Education (Michael Gove): Thank you, Mr Speaker. The exuberance and enthusiasm of my ministerial colleague is something to behold.

More than 300 academy schools had been opened as of 1 September 2010, and since the Academies Act 2010 received Royal Assent two months ago we have received 189 applications to convert to academy status, or 5.9% of the outstanding mainstream schools that are currently eligible. Some 32 new academies opened on 1 September, and 23 more have opened since then, the equivalent of one nearly every working day.

Mr Gray: I had the good fortune to visit the Wellington academy in the constituency of my neighbour, my hon. Friend the Member for Devizes (Claire Perry), last Friday. It is an outstanding example of what an academy can do. It has gone from being the worst-performing school in Wiltshire to being one of the best on a like-for-like basis. GCSE passes have doubled and it is now offering A-levels for the first time, and its level of exclusions has gone from being the highest in Wiltshire to being the lowest. Does the Secretary of State agree that academy status can not only be of benefit to higher-performing schools but be of huge benefit to low-performing schools that wish to improve?

Michael Gove: My hon. Friend makes a compelling case. Academy status can benefit all schools, which is one reason why the former right hon. Member for Sedgefield argued that academy freedoms should be extended to all schools. What a pity that the Opposition have retreated from that high water mark of reform.

Kevin Brennan (Cardiff West) (Lab): For the avoidance of any confusion among those on the Treasury Bench, this is a supplementary question to Question 8.

In opposition, the Secretary of State said that in his first 100 days he would identify the 100 weakest schools and rapidly give them new leadership, and give hundreds of high-performing schools academy freedoms so that they could help weaker-performing schools. Can he confirm that he has so far failed to enforce any obligation whatever on the 50 or so new academies to help weaker schools, and that he has done nothing about his pledge to help the weakest 100 schools? Is he not just picking a few of the favoured and allowing the rest to drift?

Michael Gove: The hon. Gentleman will have to do better than that. All the schools that have been granted academy status either are helping or will help underperforming schools to improve. We have actively identified some of the weakest schools in the country and will shortly announce the partners, whether existing academy sponsors or high-performing schools, that will ensure that those schools raise their performance. It is a tragedy that under the Government of whom he was a part, the gap between rich and poor widened and we came near the bottom of the 57 most advanced countries in the world in educational achievement. It is a particular tragedy that the gap between private and state schools grew under his Government, testament to which is the fact that in the shadow Cabinet under which he serves, more members were educated in private or selective schools than in comprehensives.

Primary School Curriculum

9. **Liz Kendall** (Leicester West) (Lab): What plans he has for the future of the primary school curriculum; and if he will make a statement. [16455]

The Minister of State, Department for Education (Mr Nick Gibb): We have made clear our intention to review the national curriculum at both primary and secondary levels, to restore it to its original purpose—a core national entitlement organised around subject disciplines. We want to arrive at a simple core, informed by the best international practice, that will provide a minimum entitlement for pupils. We will announce more details about our plans later in the year.

Liz Kendall: I thank the Minister for his reply. Head teachers in my constituency are concerned that Government have still not come forward with their proposals for replacing the primary school curriculum, and that the delay is preventing them from properly planning for the future. Will he reassure the House that the Government's plans will be published in time for primary school heads to get the staff, timetables and resources that they need to start the next financial year?

Mr Gibb: Yes, primary schools should continue with the current primary curriculum. The details and timings will be announced later in the year, but I assure the hon. Lady that there will be plenty of lead time available to schools to implement the new curriculum. We do not want what the previous Government had, which was "initiativitis". Schools received new initiatives every two weeks, and lever arch files full of prescriptive instructions about how to teach were disseminated to all our schools.

Elizabeth Truss (South West Norfolk) (Con): Will the Minister comment on the fact that many primary schools appear to be teaching multiple methods for basic mathematical problems, which has been set out through the national strategies, rather than achieving fluency in key methods, which enables those pupils to go on and achieve and where countries such as Flanders and Finland have proved so successful?

Mr Gibb: I pay tribute to my hon. Friend for her passion about the way maths is taught in our schools. Of course, how children are taught is a pedagogical matter, which should be left to the professionalism of teachers, but what is taught and when will be matters for the national curriculum review.

Playbuilders Scheme

10. **Bill Esterson** (Sefton Central) (Lab): How many proposed play areas planned to be built under the playbuilders scheme after July 2010 will not proceed. [16456]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): We believe that it is important that there are safe, free local places to play. However, the Department inherited unaffordable spending commitments for this year, and play has therefore had to make a contribution to the savings needed.

Local authorities will be told of their revised allocations within the next month, soon after the comprehensive spending review, and it will be for them to decide which play areas proceed, according to their own local priorities. Local authorities are not required to inform my Department of their decisions.

Bill Esterson: Aintree village is one of the areas in my constituency that was due to benefit from a new play area. One reason that residents and the parish council wanted the play area was to tackle childhood obesity. Does the Minister agree with me, and with residents in Aintree and across Sefton, that decent-quality play areas are a good way to tackle childhood obesity? What measures will he take to support local authorities and others who wish to see the kind of support needed to tackle childhood obesity?

Tim Loughton: I think we all agree with the hon. Gentleman about the importance of play in so many different areas. It can help to affect social divisions, obesity and other health measures. Of course, we fully share his aspirations and, I am sure, those of the people behind the project in Aintree village. I pay tribute to the people in his constituency and in other communities who have striven hard for those play areas, but I repeat that the play funding was based on the dodgy accounting of the previous Government's end-year flexibility system. On that basis, I am afraid that it has had to be reviewed, but I hope that there will be money forthcoming in due course so that other projects can proceed. He will hear about that in the next few weeks.

Andrew Percy (Brigg and Goole) (Con): The Minister may be aware that I have made several representations on this subject regarding a number of play parks in my constituency, including in Winterton, Keadby, Crowle and Burringham. What is now coming back from some of those is the fact that there have been several delays in the process, through the fault of the local councils over the years. May we have an assurance that the Department will look favourably on the cases of park bids that have been delayed because of problems within the local authorities?

Tim Loughton: Again, I pay tribute to my hon. Friend and his concern for that important matter, but it is not for the Department for Education to specify which particular play projects are to go ahead. That area is not ring-fenced; it is up to the local authorities. Once we make the further announcement following the comprehensive spending review, I very much hope that those projects that are to go ahead do so with all speed.

Children from Deprived Areas (Educational Achievement)

11. **Miss Anne McIntosh** (Thirsk and Malton) (Con): What steps he plans to take to improve the educational achievement of children from the most deprived areas; and if he will make a statement. [16457]

The Minister of State, Department for Education (Sarah Teather): Raising the attainment of children from the most deprived areas is a priority for the coalition Government. From September 2011, we are introducing a pupil premium, which will guarantee additional funding for schools with deprived children, and ensure that the poorest children, wherever they live, are able to receive the right support. Schools will decide how to spend the premium so as to achieve the best results for their disadvantaged pupils.

Miss McIntosh: I am grateful to my hon. Friend the Minister for that reply. Will she confirm that that premium will cover those living in pockets of rural poverty in Thirsk and Malton, which are particularly sparsely populated and rural in nature, to increase their chances of social mobility?

Sarah Teather: One of the points about the pupil premium is the fact that, because it targets the individual child, it has a much better chance of picking up those areas where there are pockets of deprivation, which have been missed by other ways of distributing deprivation funding. It does not matter whether children live in a wealthy area or not; unfortunately, the stats about their parents' income are still the greatest predictor of how well they will do at school. I think that that is an absolute scandal. Unfortunately, it is the legacy of the previous Labour Government.

Mr Iain Wright (Hartlepool) (Lab): The educational achievement of young people in deprived areas has risen highest for those in receipt of the education maintenance allowance. EMA is undoubtedly helping to break the decades-old link between deprivation, attainment and staying-on rates. That being the case, and given the comments made by the Minister, will she commit to retaining EMA in its current form?

Sarah Teather: The hon. Gentleman will be aware that we have made a commitment this year, and he will be perfectly well aware that future spending decisions are a matter for the spending review. He will have to wait with bated breath until next week.

Mr Graham Stuart (Beverley and Holderness) (Con): Can the Minister tell the House what steps she is taking to ensure that children from the most deprived areas have access to the highest quality teaching, and to make sure that teaching in those areas is subject to the most effective performance management?

Sarah Teather: My hon. Friend will be aware that we have expanded Teach First, something that both the Liberal Democrats and the Conservatives feel strongly about. It was a Liberal Democrat manifesto commitment. I hope that will have a considerable impact on raising the attainment of children in deprived areas. Of course, pupil premiums will make sure that there are extra resources for schools to spend as they choose: they may be spent on one-to-one tuition, or on other things that schools feel are best for narrowing that attainment gap.

Chris Leslie (Nottingham East) (Lab/Co-op): There are hundreds of teaching assistants working in primary schools in the most deprived areas of not just my constituency but the whole country. Many of them are fearful of the effect of the budgetary decisions that the Minister is about to make. Will she give an assurance that teaching assistant posts, which have had a massive impact on educational attainment, will be protected, and perhaps enhanced?

Sarah Teather: The hon. Gentleman will be aware—I have already said this to one of his hon. Friends—that future spending is subject to the spending review, which will take place next week. I cannot tell him what future spending will be until after the spending review next

week. What I will say is that there is a clear coalition commitment to targeting extra resources on disadvantaged children through the pupil premium, which schools can spend as they wish to narrow the attainment gap between the richest and the poorest students in their school. They may well choose to do that by having more teaching assistants, but they may choose to spend the money on other things.

Departmental Guidance (Head Teachers)

12. **Mr Philip Hollobone** (Kettering) (Con): If he will reduce the volume of guidance and advice his Department issues to head teachers. [16458]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): You can't keep a good man down.

The Government are committed to reducing the amount of guidance and advice issued to schools. Our intention is to streamline and reduce schools guidance so that it is provided only where there is evidence of demand from professionals. We want to free up head teachers so that they have more time to focus on the important task of raising standards in our schools.

Mr Hollobone: Head teachers in the Kettering constituency are absolutely fed up with the scale of guidance and advice that they receive from central Government. My hon. Friend has a deserved reputation as the enemy of red tape, so can he illustrate the scale and volume of the guidance and advice issued by the Department under the previous regime?

Mr Hayes: I can indeed. I have here the advice and guidance just on behaviour and attendance. It is roughly equivalent in length to the complete works of Shakespeare, which I also happen to have to hand. This Government are determined to reduce red tape and bureaucracy. We want teachers to be able to get on and teach, so that they do their best by our children.

Attainment League Tables

13. **Margot James** (Stourbridge) (Con): What recent assessment he has made of the effectiveness of school achievement and attainment league tables in providing information on academic standards in schools; and if he will make a statement. [16459]

The Secretary of State for Education (Michael Gove): We plan to reform the school performance tables to make them more rigorous and to ensure that they focus on academic standards. We have proposed introducing a new measure, the English baccalaureate, that will recognise achievement in not just English and mathematics but the sciences, a modern or ancient foreign language, and humanities such as history or geography.

Margot James: I thank my right hon. Friend for his answer. The number of students studying history and geography at GCSE level in some schools in Stourbridge has fallen as low as 25%. That is partly due to schools encouraging the study of softer subjects to improve their league table positions. Does my right hon. Friend agree that that is an indictment of the current system, and has he any steps in mind to remedy the situation?

Michael Gove: I thank my hon. Friend for her question. She joins a growing cross-party consensus, led by the hon. Member for Stoke-on-Trent Central (Tristram Hunt), that we need to ensure that children up to the age of 16 follow a stretching academic curriculum, as they do in many other European countries. As a passionate pro-European, I would like to see us emulate those countries in that regard, and in many others.

Free School Meals

14. **Nic Dakin** (Scunthorpe) (Lab): What estimate his Department has made of the number of children who will be eligible for free school meals in September 2010; and if he will make a statement. [16460]

The Minister of State, Department for Education (Mr Nick Gibb): The number of pupils of compulsory school age in maintained schools eligible for free school meals was 1,179,880 in January 2010. The Department has not produced an estimate of the number of pupils eligible for free school meals in September 2010; the figures are produced annually as part of the annual school census, completed by local authorities in January each year. Leaving time for compilation, the next set of figures will be available in May 2011.

Nic Dakin: I thank the Minister for his answer. He will note my interest as a former principal. Does he think it is fair that 16 to 18-year-olds attending colleges are ineligible for free school meals, when 16% in FE colleges and 10% in sixth-form colleges are from disadvantaged backgrounds, compared with only 7% in maintained schools?

Mr Gibb: I take on board the hon. Gentleman's comments. I share his view. We have committed to maintaining spending on free school meals this year. Further announcements will be made after the spending review.

Help for Families

15. **Simon Kirby** (Brighton, Kemptown) (Con): What progress has been made on his Department's plans to help families with multiple problems. [16461]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): The Government are committed to a new approach to supporting families with multiple problems. My officials are working with the Association of Directors of Children's Services and voluntary organisations to encourage local innovation to tackle barriers. Since April, family interventions have supported 4,725 families with multiple problems, already exceeding the 3,518 supported in the whole of last year. Ninety-three per cent. of families completed or are still receiving support, and no fewer than 79% left with successful outcomes.

Simon Kirby: I am sure the Minister remembers visiting Whitehawk primary school in my constituency. With reference to families with multiple problems, does he agree that dealing with these complex issues early can often save the state money in the long run?

Tim Loughton: My hon. Friend makes a good point. I well remember my visit to Whitehawk primary school, which has done a fantastic job in joining up support services for many of the families living in the deprived area around that part of Brighton. Independent evaluations show the considerable savings of such intervention programmes, which can cost on average from £8,000 to £20,000 per family, but which save around £50,000 per family and much more for those with particularly challenging problems.

White Working-Class Boys (Educational Under-Achievement)

16. **David T. C. Davies** (Monmouth) (Con): What his latest assessment is of levels of educational under-achievement among white working-class boys. [16462]

The Minister of State, Department for Education (Mr Nick Gibb): White boys in receipt of free school meals are among the lowest attaining groups of students. In 2009, just 19.4% of white boys eligible for free school meals achieved five or more good GCSEs including English and maths, compared to 50.7% of all pupils.

David T. C. Davies: I am grateful to the Minister, who obviously recognises the problem, which was first raised by the National Union of Teachers in a report about two years ago. Can he assure us that, unlike the previous Government, he will not, for reasons of political correctness, try to brush it under the carpet, and that he will do something about it?

Mr Gibb: It is a concern when any particular group is significantly underperforming compared with the national average. One big priority for the Government is to close the attainment gap between those from the wealthiest and the poorest backgrounds. We are focusing on that in a range of education policies from academies to free schools, and also in our focus on improving behaviour in schools and reviewing the curriculum.

Pathfinder Projects (Blackpool)

17. **Mr Gordon Marsden** (Blackpool South) (Lab): What recent assessment he has made of the merits of year 3 play pathfinder projects in Blackpool. [16463]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): All local authorities, including Blackpool, have provided financial information on their 2010-11 play programmes and this is being considered by our Department. However, as I said earlier, the Department is not making judgments on the relative merits of individual sites, and does not hold this information. Local authorities will be notified within the next month of their revised play capital allocations. It will then be for local authorities to decide which play areas go ahead, based on local needs.

Mr Marsden: Eleven play pathfinder projects in Blackpool are waiting with bated breath for those allocations. That includes the Fishers Field project in my constituency, which is a highly imaginative but complex project involving new playing fields and a natural park. I hear what the Minister says, but his colleague the Secretary of State, in reply to me earlier in the summer, said he was clear about the needs of Blackpool in terms of deprivation, mobility and general problems in that area. Will the Minister pass on the message that the people of Blackpool would like to see such projects go ahead?

Tim Loughton: As I said before and as the hon. Gentleman would have heard, we are very much in favour of promoting play as much as possible because of the many social health benefits that it brings. When the allocations are determined after the spending review coming up, I hope the local authority in Blackpool will decide its priorities according to local needs—we have given local authorities that power—and proceed to promote the play schemes that it considers most appropriate for the local area.

Special Educational Needs (Daventry)

18. **Chris Heaton-Harris** (Daventry) (Con): What recent representations he has received on educational provision for children with special educational needs in Daventry constituency. [16464]

The Minister of State, Department for Education (Sarah Teather): There have been no representations received from Northamptonshire local authority in relation to provision for children with special educational needs in the authority's area. However, school organisation and special educational provision are matters for local consultation and determination, and where there are disagreements they may be referred to the independent schools adjudicator for consideration.

Chris Heaton-Harris: Will the Minister kindly accept a representation from parents in my constituency, who have visited my surgeries with various problems regarding special educational needs provision in Northamptonshire—especially the parents of a young lad called Joe, whom I met on Friday, who suffers from Down's syndrome and is unable to get the regular speech therapy that he needs?

Sarah Teather: May I very strongly encourage the hon. Gentleman and his constituents to respond to the call to send in views for the Green Paper? The call closes on 15 October, so there are just a few more days to respond, and I should be very grateful if he made sure that that his constituents' experiences were represented. If he wishes to meet me further, I shall be very happy to do so.

New Schools Network

19. **Lisa Nandy** (Wigan) (Lab): What arrangements his Department has made with the New Schools Network to provide a framework for the provision of services by the network on his Department's behalf. [16465]

The Secretary of State for Education (Michael Gove): The Department is working with the New Schools Network to finalise the specifics of the grant agreement in line with the activities and key performance indicators. Those have already been outlined in broad terms in the letter of 18 June from my Department to the New Schools Network.

Lisa Nandy: Does the Secretary of State understand the concern surrounding the level of transparency in the role of the New Schools Network? In particular, how can he be satisfied that there will be no conflict of interest between its role in providing advice to groups seeking to set up new schools and its other, undisclosed financial donors?

Michael Gove: I am reassured by the fact that the New Schools Network has as its chairman the former editor of the *Financial Times*, who employed the right hon. Member for Morley and Outwood (Ed Balls) before he became such a distinguished Member of Parliament. I am also reassured by the fact that among its advisers are Professor Julian Le Grand, who was an adviser to the former Prime Minister, and Sally Morgan, who was political secretary to the former Prime Minister. Those three distinguished figures, along with many others who support the New Schools Network, seem to be the sort of talented figures whom we should be encouraging to play a bigger role in state education, rather than, as was the case in the Brown years, saying to them that they are not wanted when it comes to improving education for the very poorest.

Topical Questions

T1. [16470] **Andrew Bridgen** (North West Leicestershire) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Education (Michael Gove): With your permission, Mr Speaker, I should like to reassure all those hon. Members who are anxious about the decline in the standards of education under the previous Government that two steps forward have been taken in the past week. First, we have reversed the policy, which was initiated under the previous Government, whereby marks for spelling, punctuation and grammar were removed from GCSEs. In future, GCSEs, according to Ofqual, will be marked in a way that pays proper attention to the need to spell, punctuate and write a grammatical sentence. Secondly, as I am sure the hon. Member for Stoke-on-Trent Central (Tristram Hunt) will be relieved to know, we will ensure that every child has a proper sense of the connected narrative of British history, and Professor Simon Schama has agreed to advise the coalition Government in order to ensure that every child grows up knowing the glories of our island story.

Andrew Bridgen: I have a case in my constituency, where the three mile limit rule for free school transport is so strictly applied, using new software mapping techniques, that half the local housing estate has lost its access to free bus passes. Owing to the two-tier secondary education system that operates in parts of Leicestershire, we have the ludicrous situation in which 11-year-olds are expected to walk three miles to school along a main road, whereas 16-year-olds travelling to the upper school, only 300 metres further on, have access to a free bus pass. Will the Secretary of State look urgently into the guidance notes for local authorities on that matter?

Michael Gove: I am very grateful to my hon. Friend for raising that case, and I shall certainly look into it. I know that Leicestershire is an F40 local authority, one of the least well funded in the country; I know, notwithstanding that, that Ivan Ould, the lead member for children's services, does a fantastic job, as does my hon. Friend. I shall make sure that I talk to Mr Ould and my hon. Friend about how we can resolve that situation for his constituents.

T4. [16473] **John Mann** (Bassetlaw) (Lab): Will the Secretary of State use his undoubted influence in government to get a decision—perhaps before 20 October—on the previous Prime Minister's commitment to make a proper donation to the £100 million appeal for the Auschwitz-Birkenau Foundation, so that the very successful schools to Auschwitz project has buildings to visit in future decades?

Michael Gove: I am very grateful to the hon. Gentleman for raising that matter, and I must pay tribute, across the Floor of the House, to the fantastic work that he has done in the fight against anti-Semitism. I can reassure him that we have already committed to give the Holocaust Educational Trust the money that it needs. It is an issue of no contention, across the House, that we must ensure that as those who remember the holocaust fade from our lives, the memory of that unique evil never fades from the minds of any of us in this place

T2. [16471] **Stephen Mosley** (City of Chester) (Con): My local education authority of Cheshire West and Chester is one of the lowest funded in the country; like Leicestershire, it is a member of the F40 group. What measures is the Secretary of State taking to ensure that education funding will be more equally distributed across the country in future?

Michael Gove: I am grateful to my hon. Friend for making that passionate case, as so many representatives from F40 authorities do. In the context of the comprehensive spending review and the forthcoming schools White Paper, we are now looking at how exactly we can ensure that schools funding is more equitable across the country. We are of course looking particularly at how we can ensure that disadvantaged children, wherever they live, receive what they deserve.

Stella Creasy (Walthamstow) (Lab/Co-op): Back in January, one of the Ministers stated that there was a question mark over whether local authorities were the best people to run youth services. Given that, how does the Department now justify the removal of ring-fencing for the youth opportunity fund and youth capital fund and the cuts to Connexions and the youth sector development grants? Those cuts mean that many organisations that the Department would like to see running youth services, such as the excellent Soul project in Walthamstow, are facing a very uncertain financial future.

Will the Minister agree to visit the Soul project with me to discuss with the young people and volunteers who run it the contingency plans that he has in place to ensure that there is not a big voluntary sector youth-shaped hole in the big society?

The Parliamentary Under-Secretary of State for Education (Tim Loughton): I am grateful to the hon. Lady and am delighted to take up the invitation, as I have to many other youth centres and projects around the country; she may come to regret that invitation.

I am afraid that in this financial climate we have to think smarter about how we can provide services. In common with every Department and every other part of this Department's work, the youth sector is under that scrutiny. My battle is to involve as many providers as possible from the voluntary sector, local authority and others in ensuring that we provide youth services to those most in need of them in the most imaginative way—with less money, because of the previous Government's disastrous financial legacy.

T3. [16472] **Stuart Andrew** (Pudsey) (Con): The Leeds and Bradford Dyslexia Association is applying to open a specialist school through the free schools initiative. Will my right hon. Friend agree to look at that application? Furthermore, does he agree that the application is a clear demonstration that, despite Opposition claims, free schools can not only help the brightest but be a real opportunity for groups such as the LBDA to help children and young people who need extra support?

Michael Gove: I am grateful to my hon. Friend for his question and the argument contained therein. He is absolutely right: many of those anxious to establish new free schools are motivated by the desire to help the very poorest or those most in need. As well as the case that he mentioned, in Yorkshire there is a talented young teacher, the son of a bus driver, who wants to open a free school in one of the most deprived parts of Bradford. It is the idealism of that young man, and of the dyslexia association activists my hon. Friend mentioned, that is an inspiration to us all on this side of the House.

Diana R. Johnson (Kingston upon Hull North) (Lab): The last Labour Government established three free school meal pilots in Wolverhampton, Durham and Newham. Will the Secretary of State give me an assurance that when the evaluations are complete, there will be full disclosure and that they will not just be scrapped as the Lib Dem council did in Hull when we had such a pilot? It did not wait for a full and proper consideration of the evidence.

Michael Gove: The hon. Lady was a distinguished Minister in the Department and I know that she shares with me a desire to ensure that policy is evidence-based. That is why I was surprised that the previous Government said they would definitely go ahead with the extension of free school meals before the evidence about whether the pilots were working was in. I was also particularly surprised that the previous Secretary of State committed to the extension of free school meals without there being sufficient funds in the Department's spending envelope to pay for them. It was. I am afraid, another example of the recklessness with which he drove our finances and economy on to the rocks.

T5. [16474] **Mr John Baron** (Basildon and Billericay) (Con): The Secretary of State is absolutely right to order a review of his Department's capital spending. When he does decide how to allocate capital, will he look favourably on the schools that reached the very final stages of the BSF application process and suffer greatly from dilapidation, such as Mayflower high school and Billericay school in my constituency?

Michael Gove: As ever, my hon. Friend is a strong, powerful and fluent advocate for his constituents. It is important for us to make sure that the capital that we have goes to the schools that need it most. It is also critically important that we ensure that the one area that the previous Government overlooked—the significant expansion in demand for primary schools, particularly in the south and south-east—is addressed. I am sure he will agree that we need to address that along with the dilapidation in the secondary estate.

John Cryer (Leyton and Wanstead) (Lab): On the vexed issue of BSF, I understand what the Secretary of State says about the capital review, but going hand in hand with that must be some sort of needs-based criteria. What progress has he made towards arriving at such criteria?

Michael Gove: That is a very good and characteristically shrewd point from the hon. Gentleman. We need to do two things. First, we need to ensure that whatever money we have is allocated in the most effective and efficient way, and we also need to ensure that as well as being efficient, it reflects needs. As regards needs, there are a variety of different criteria that we have to judge: first, so-called basic need—in other words, population growth—secondly, deprivation; and thirdly, dilapidation, or the actual fabric and state of the buildings. We have not had an accurate assessment of the fabric of the school estate since 2005.

T6. [16475] **Mr Douglas Carswell** (Clacton) (Con): The policy of enforced inclusion pursued under Governments of both parties has played havoc with children with special educational needs in my part of Essex. It has meant the closure of special schools, increased pressure on mainstream schools, and pressure on remaining places in the special schools system. Can the Minister promise that under the review inclusion will be made a matter of parental choice, not an outcome arrived at through bureaucratic stalling and bullying?

The Minister of State, Department for Education (Sarah Teather): Parental choice is absolutely at the heart of the themes of the Green Paper. It is essential that we try to come to decisions about a child's future based not only on their disability but on understanding the particular needs of the child. Two children with the same disability may have very different circumstances and need different educational provision.

Rosie Cooper (West Lancashire) (Lab): Will the Secretary of State please indicate the Government's position on supporting parents in choosing denominational schools for their children? Would he oppose any measure that would reduce that choice—that is, local authorities charging a flat rate of £2 a day per child, which amounts to £180 that parents believe is a tax on faith? Lancashire county council is charging parents £2 a day per child for transport to go to a denominational school; does he approve of that sort of attitude?

Michael Gove: I am very interested in the case that the hon. Lady brings to my attention. In her constituency, in Skelmersdale and elsewhere, a great many people are benefiting from a Roman Catholic education. I would

hate to see anyone unduly penalised for wanting their child to be educated in accordance with their faith, so I will look at the case she mentions.

T7. [16476] **Mrs Helen Grant** (Maidstone and The Weald) (Con): Under Labour, social mobility stalled. What action will the Government now take to kick-start that vital aspirational process for our children, our teachers and our schools?

Sarah Teather: My hon. Friend is absolutely correct; I am afraid that the legacy of the previous Labour Government is that social mobility did stall. This Government believe that one's birth should not equal one's fate. That is why we want Sure Start to focus better on targeting the most disadvantaged families, why we are reviewing the early-years foundation stage to ensure that all children are ready for school, and why we are implementing a pupil premium targeting extra resources on the most disadvantaged children.

Julie Hilling (Bolton West) (Lab): After 18 months of very hard slog, the 50 children and the staff and parents of Lever Park special school in my constituency raised the £20,000 funding needed to become a specialist school. In July, the Government promised them £100,000 to transform their facilities; in September, the Government cut it to £20,000. Will they please review their decision?

Michael Gove: I am very grateful to the hon. Lady. I will be speaking to people from the Specialist Schools and Academies Trust later this afternoon, when I will explain to them exactly the difficult circumstances that we inherited, which mean that unfortunately some tough decisions have to be made, but also point out that the fantastic achievements that have been secured so far by specialist schools and academies will be rewarded appropriately after the comprehensive spending review.

T8. [16477] **Mary Macleod** (Brentford and Isleworth) (Con): What recent assessment has the Secretary of State made of the need for additional secondary school places in the Brentford and Isleworth constituency, and what advice would he give to parents who have been in contact with me to say how desperately they need a new school?

Michael Gove: My hon. Friend, like all those who represent constituencies in the west and south-west of London, will know that recent demographic changes mean that there is immense pressure on primary and secondary school places. I am particularly sensitive to the need for the resources to be there to ensure that the children who are now arriving at primary schools have the places that they deserve. We are also ensuring that some of the new free school applications that we have received are prioritised in those areas where the demographic need is particularly acute.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the right hon. Gentleman agree that it is a great disadvantage to return from school to a home where no English is spoken? Is it not time we had a campaign to make knowledge of the English language common throughout our country? Will the Secretary of State lead a cross-departmental campaign to deliver English speaking and knowledge across the country?

Michael Gove: Not for the first time—nor the last—the hon. Gentleman speaks for me. It concerns me that a grasp of proper spoken and written English, which is the key to enjoying full civic life in this country, is denied to far too many people. I will work with my hon. Friend the Minister for Education, Skills and Lifelong Learning to ensure that an ability to speak and write English clearly is at the heart of everything we do, whether in adult, secondary or primary education.

T9. [16478] **Andrea Leadsom** (South Northamptonshire) (Con): In the wake of the Munro report, is the Minister as concerned as I am about the growing number of children being taken into care? Does he agree that the best way in which to stop more of those personal tragedies is to invest in prevention programmes for babies and their carers in the earliest years?

Tim Loughton: My hon. Friend makes a good point. Of course, the big increase in the number of children coming into care in the aftermath of the baby Peter case was alarming. It is therefore absolutely right that the ongoing Munro review makes suggestions for freeing up the bureaucracy, which holds back social workers from doing the sort of preventive work—keeping families together when possible and working with other professionals on an early intervention basis—that can be so profitable financially, but, more important, socially, for those families later.

Mr Gordon Marsden (Blackpool South) (Lab): The Secretary of State has just said that he is keen to promote initiatives in the study of history in schools. Does he remember the rather sterile debate in 1990, when Lord Baker introduced the national curriculum, between skills and content? Does he agree that skills Learned in the study of history are as important as narrative? We cannot have one or the other—we need both.

Michael Gove: I am grateful for the hon. Gentleman's point. He was a distinguished editor of *History Today*, and his voice in these debates is important. It is critical that we ensure that every child has a proper spine of knowledge—the narrative of the history of these islands. Without that, the skills of comparison and of examining primary and secondary sources and drawing the appropriate conclusions, are meaningless. Without that spine, history cannot stand up and take its place properly in the national curriculum. One of the problems in the past 13 years—indeed, since 1990—is that national history has not been taught as it should be in our schools. Under the coalition Government, that will change.

T10. [16479] **Stephen Phillips** (Sleaford and North Hykeham) (Con): I think that my hon. Friends are aware of my interest in and support for deaf education; I remain a chair of governors at a deaf school. What plans has the Secretary of State for deaf education and for ensuring that deaf children receive the same education as their hearing peers?

Sarah Teather: The Department currently funds the I-Sign pilot project, which supports our position of informed choice for parents by putting in place the British sign language skills infrastructure necessary to make a BSL choice viable. As I said in answer to several

earlier questions, we will produce a Green Paper later this year on special educational needs and disability. I would be grateful if my hon. Friend made sure that his views on the needs of deaf children were inputted into the Department's call for views. As I said, the deadline for that is 15 October.

Linda Norgrove

3.33 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): With permission, Mr Speaker, it is with great sadness that I make this statement about the tragic death of Linda Norgrove, the British aid worker taken hostage in Afghanistan, who died during the course of a rescue attempt by US forces on the night of 8 October.

Linda was working for the non-governmental organisation Development Alternatives Incorporated when she was kidnapped along with three Afghan colleagues by insurgents dressed in Afghan national army uniforms as she travelled by car on 26 September in Kunar province in north-east Afghanistan. Immediately following her disappearance, a crisis management team began work at our embassy in Kabul, and the commander of the international security assistance force in Afghanistan, General Petraeus, was informed, along with the Afghan Government's national security adviser. In London, Cobra was immediately convened. Intensive efforts to locate Linda began. Leaflet drops were carried out, offering a reward for information about Linda. Forces in the area began an increased tempo of operations in and around the area where she was captured, designed to limit the hostage takers' room for manoeuvre.

Our objective throughout was clear: to secure Linda Norgrove's safe release while continuing the long-standing policy of successive British Governments not to make concessions to hostage takers. From the very start Cobra assessed that Linda's life was in grave danger, which is why I authorised from the beginning a rescue attempt to be made in the right circumstances. Linda's captors were assessed to be representatives of a local Salafist group allied to the local Kunar Taliban, who have links higher up the Taliban chain of command to al-Qaeda and other insurgent groups operating in the Afghanistan-Pakistan border areas. We had information from the outset that the objective of Linda's captors was to pass her further up the Taliban command chain and perhaps move her to yet more inaccessible terrain. On the basis of the information available to us, we were in no doubt whatsoever that there was a continual and real threat to her life and no credible option for a negotiated release.

Linda's Afghan colleagues were released on 2 October, but at no stage was any serious attempt made to negotiate by those holding her. Afghan media reports purporting to convey demands by her captors, including the complete withdrawal of all UK forces from Afghanistan, were not judged to be credible. Nothing that happened between 26 September and 8 October caused me or anyone else involved to change our view that a rescue operation was the only realistic hope for Linda's safe and secure release.

Linda was captured in the US area of operations in Afghanistan. We agreed at the outset that this operation would be US-led. The US has had forces in Kunar since 2006 and has excellent knowledge of the region. US special forces were therefore held on 30-minute standby to mount a release effort from the day Linda was captured. In the early days of her captivity, bad weather and storms in the region hindered attempts to get detailed information about her exact location, meaning that a rescue attempt was not possible in those early days.

After intense efforts by the UK and our allies to prepare for a rescue, US special forces attempted to rescue Linda on the night of 8 October. In the operation that followed, these special forces succeeded in reaching the right location and in shielding 10 women and children from the fighting that ensued. However, tragically, the operation still was not successful, as we did not succeed in saving Linda's life.

Every indication that we had over the weekend suggested that Linda had been killed by the explosion of a suicide vest worn by one of her captors. Early this morning General Petraeus contacted the Prime Minister's office to say that in the review of the rescue operation, new information had come to light about the circumstances surrounding her death. The review and subsequent interviews with the personnel involved indicate that Linda may not have died at the hands of her captors as originally believed, but may have died as the result of a grenade detonated by the taskforce during the assault. All such rescue operations involve a measure of risk which has to be weighed against a constant risk to a hostage and a risk that such an opportunity to undertake a rescue operation may not recur.

I wish to pay tribute to the US forces in Afghanistan who risked their own lives to try to rescue a British citizen. We should also remember that the responsibility for the loss of Linda's life lies with those who took her hostage. The Prime Minister and I are utterly determined to do everything that we possibly can to establish the full facts and give Linda's parents a full account of the tragic circumstances in which their daughter died. General Petraeus has personally assured the Prime Minister that ISAF will carry out a full investigation into what happened. The UK will be fully involved and the House will be informed of its outcome.

The taking of hostages and the targeting of civilians, including aid workers, is morally indefensible under any circumstances. We did all in our power to rescue Linda from the appalling circumstances in which she found herself. She was a dedicated professional doing a job she loved in a country she loved, helping a people who have borne the brunt of conflict and poverty for decades. For Linda's family, this will be the most painful loss it is possible to endure. Our thoughts are with them as they come to terms with the death of their daughter and the whole House will be united in sorrow for them.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): May I join the Foreign Secretary in sending our deepest condolences to the family and friends of Linda Norgrove at such a difficult time? Linda Norgrove did vital work towards ensuring a stable and secure future for Afghanistan, and the House will want to pay tribute both to her work and to her courage. But although we all know the bravery of our aid workers and the risks that they take, it was still shocking for all of us to hear of Linda Norgrove's death this weekend, after she was taken hostage two weeks ago. That shock will be compounded by the distressing information this morning.

The House will know that we support our military and civilian effort to create the conditions for a political settlement that can bring the war in Afghanistan to an end. We condemn utterly the actions of the hostage takers throughout the events to which the Foreign Secretary has referred today. Operations such as the one launched by the American special forces this week are incredibly

[Yvette Cooper]

challenging. They require immense bravery on the part of the armed forces involved, and success can of course never be guaranteed. We understand, too, the intricate and complicated web of intelligence required for such an operation, and nothing can ever be certain. The Foreign Secretary will appreciate too, however, that important questions now arise as a result of these events.

First, could the Foreign Secretary tell us more about the Government's role in the planning and authorisation of the operation? When we spoke, I asked him to tell the House as much as he could about his assessment of the risks to Linda's life that made the rescue operation the best opportunity to save her life, and I am grateful for the additional information that he has provided to the House today. Could he also tell us about the nature of the authorisation that he gave the rescue operation, and say how much information he was given about the rescue attempt before it began and the level of UK involvement in the planning of the rescue operation?

The Foreign Secretary will be aware, too, of the concern that has arisen about the potentially inaccurate information that was disseminated over the weekend. I thank him for the briefing that the Foreign Office provided me at the weekend. I know that it was provided in good faith, but does he share my concern that the information that people received over the weekend is now cast in serious doubt? The Government and ISAF appeared to be certain over the weekend that the hostage takers had killed Linda Norgrove during the operation. Given the uncertainty that inevitably surrounds such a difficult and complex operation, may I ask him on what basis that was believed to be the case? We agree, too, with the Prime Minister's statement this morning about the importance of avoiding inaccurate information in such a sensitive and complex case. However, can the Foreign Secretary tell the House why it appeared that Government and military sources gave the impression of such certainty about events in the briefings over the weekend? Can he also tell the House about the new information from General Petraeus? Has he spoken to General Petraeus, and has the evidence—including, perhaps, surveillance footage—on which the new conclusions are based, been shared yet?

I welcome the investigation into the operation and the Foreign Secretary's statement that the UK will be involved. Can he tell us to whom the investigation will report? Will its findings be made public? Who will be entitled to see its conclusions and its evidence? Can the Foreign Secretary give us some guidance on how long he expects the investigation to take? Can he also reassure the House that Linda Norgrove's family will be kept informed throughout? The House will appreciate that the focus of the investigation will be on the events during the operation, but can he also tell us whether there will be a review into the way in which information on the issue was disseminated over the past 48 hours?

Finally, the safety of our aid workers has always been a matter of concern for our forces on the ground, which is an issue that I know the Government take extremely seriously. Aid workers play an essential role working to establish the conditions that will allow our forces to leave Afghanistan. Clearly we all want to avoid a situation where aid workers are unable to help the Afghan people because of a minority who want to terrorise the country. Could the Foreign Secretary therefore tell us what advice the Government are giving to British aid workers, particularly taking into account the fluid security situation? Linda Norgrove's work was extremely important for the future of Afghanistan. We need to ensure that her work can continue for the future.

Mr Hague: May I begin by congratulating the right hon. Lady on her appointment as shadow Foreign Secretary? I wish it were in happier circumstances that we were meeting across the Dispatch Box for the first time. We share across the House the condemnation of the taking of hostages and the concern for aid workers that she has just expressed. Many of them work in difficult and dangerous circumstances. Our travel advice is against all travel to Kunar in Afghanistan, but Linda Norgrove was working for a US non-governmental organisation, knowing that she was working in very dangerous circumstances. Nevertheless, that is known by many people who work in those places and conditions.

The right hon. Lady asked about the authorisation given by the United Kingdom and the knowledge that we had. I mentioned in my statement that we were aware that this was a group with links to al-Qaeda, to the Taliban in many different forms and to other terrorist groups operating on the Afghan-Pakistan border. I cannot expand in enormous detail on the precise intelligence, for reasons that the House will understand, but everybody concerned—in the military command, in the British embassy and in the British Government—agreed, from what we had seen, that there was a continual threat to the life of Linda Norgrove, and that we could not be sure that the opportunity to rescue her would come again, either because of weather conditions, or because we would not know her location again or because she might not survive for us to attempt a rescue. The specific authorisation to take such action was given by me on that first day, within a few hours of her being taken hostage. That authorisation was supported by the Prime Minister, who was of course kept informed throughout.

The role of the British special forces was to supply a liaison officer. Contrary to some media reports that I have seen this afternoon, it was not to take part in the planning—and certainly not in the execution—of the operation. The operation was planned by the US special forces, and it was carried out by them. We must remember that, after their experiences in Iraq and Afghanistan in the past nine years, the US and UK special forces are now extremely well practised in their operations and extremely skilful at what they do. That does not mean, however, that every mission succeeds.

The right hon. Lady rightly raised the question of the inaccurate—or likely to be inaccurate—information that was given out at the weekend. Of course we regret that; any Government would regret that inaccurate information had been given out on such a matter, or on any matter, particularly one of such importance. There is a balance to be struck between transparency and certainty, and at the weekend—and, indeed, today—we have erred on the side of transparency. We give the country the information that is available to us. Certainly, the initial viewing of the various videos that were taken during the action suggested that it was an explosion caused by the hostage takers that had cost Linda Norgrove her life. It

was on a second viewing by different US personnel that it appeared that there was another possibility. We must not rush to judgment about that possibility, however.

There will be an investigation to try to establish exactly what happened. That investigation will take place as rapidly as possible, but I cannot give the right hon. Lady a precise timetable for it at the moment. Clearly, however, General Petraeus and ISAF command attach enormous importance to this matter. It is something that they have focused on at the very top level of the military command over the past two weeks. As I mentioned in my statement, General Petraeus spoke to the Prime Minister today, and the Prime Minister has been able to view some of the evidence involved. We hope that the investigation will be completed as soon as possible. Given that we will need to design a new form of investigation, the precise form that it will take is now being discussed with ISAF command.

We will certainly keep Linda's family as fully informed as possible. We did so during the hostage taking. Our ambassador in Kabul visited the family last week, and the Prime Minister has spoken to Linda's father today. I spoke a few hours ago to our colleague, the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), who is the constituency Member of Parliament involved. He could not make it here for logistical reasons this afternoon, but he obviously had questions to raise. We will keep them fully informed of what is happening, and we will look to have a report, the conclusions and every significance of which can be fully described to the House and to the country.

Mr Philip Hollobone (Kettering) (Con): All of us hope that Linda is the last overseas aid worker to be captured by the Taliban, but sadly she may not be. What protocols are in place involving our military and the US military in terms of the nationality of any captive? For example, were an American aid worker taken captive in territory in which British forces predominate, would it be our decision to go in to rescue them, or would it be the Americans' decision? At what level are these decisions taken?

Mr Hague: Decisions about what can happen militarily are taken by ISAF command. The commander of ISAF is General Petraeus, the US general. The deputy commander is a UK commander, so these decisions are taken together. They require the political authority of the Government of the national concerned. In the case of a US citizen who is held hostage, the US Government would have to give their authority for such an operation. Could it involve British special forces? Absolutely. We would treat an operation involving a US citizen as if they were one of our own, just as the US in this case treated Linda Norgrove as one of their own.

Mr Jack Straw (Blackburn) (Lab): May I first add my very sincere condolences to the family and friends of Linda Norgrove following the terrible tragedy that has befallen her? In saying that, may I offer my full support to the Foreign Secretary and his colleagues on the excruciatingly difficult decisions that they have had to make, as I know only too well from my own experience? I ask him to confirm that, although it is correct that there should be an investigation, any investigation that looks at the circumstances that faced the decision takers and participants should take them forward, and should not, from the languid luxury of hindsight, seek to second guess those incredibly fast decisions that they had to make?

Mr Hague: I am grateful to the right hon. Gentleman, who having served for five years as Foreign Secretary is familiar with these dilemmas and difficult decisions. Let me stress that this is an investigation into the military circumstances and what happened in the actual incident. However, it is important to remember, when looking at the decisions that we have made, that we had to bear in mind what might have happened had we not made the decision to mount a rescue operation. We might not have had the opportunity again. We know from experience that a hostage held by the Taliban can be murdered in cold blood and that Linda Norgrove would probably have been taken into yet more inaccessible terrain. That is why we concluded from the beginning that the best option would be to take the earliest opportunity for a rescue operation if the conditions were right for that and if the military assessment were that there was a good chance of success. Clearly, the view was—a view confirmed by General Petraeus in his telephone conversation with the Prime Minister this morning—that there was a good chance of success. General Petraeus would not have wanted to send his troops into action without that good chance of success. All those things must be borne in mind.

Stephen Phillips (Sleaford and North Hykeham) (Con): To return to the question of the investigation, will it be conducted under the auspices of ISAF or under the auspices of the US military?

Mr Hague: As I mentioned in answer to the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), the shadow Foreign Secretary, we are still designing the form of the investigation because this is a new set of circumstances. The UK will certainly be fully involved in the investigation. General Petraeus proposed that from the beginning and the Prime Minister was absolutely clear about our wish to see that in his conversation with General Petraeus this morning. Therefore, we will have to sort out in the coming hours whether that takes place under ISAF auspices or under the auspices of the US military with UK involvement. I will let the House know in the appropriate form, perhaps through a written statement, how that has turned out.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I add my sincere condolences to the family and friends of Linda Norgrove at this very sad time. It is evident from the tributes being paid to her that she was a very exceptional person who dedicated her life and considerable talents to helping other people and the peace efforts in Afghanistan.

I welcome the Foreign Secretary's commitment to establishing what has actually happened and I also welcome his statement. This tragic incident is a salutary reminder of the risks that humanitarian aid workers face in Afghanistan and other dangerous parts of the world, yet their contribution to those efforts is indispensable. Can he assure us that assessing the safety of the circumstances in which humanitarian aid workers and NGO staff are working in Afghanistan will be a priority for the Foreign Office in the weeks and months ahead?

Mr Hague: Of course we want to see whether any security lessons can be learned, but let me stress that very many steps are taken to try to ensure the security of people working in Afghanistan by our military, by ISAF—and therefore by the military of other nations—by the Afghan security forces, and sometimes through the operations of private security companies. A great deal of security is provided, but that is not a guarantee against murder or kidnap. We will all remember the tragic case of Karen Woo earlier this year—another aid worker who was murdered in Afghanistan. The House must recognise, as indeed it has in the comments that have been made today, that people often take considerable risks in order to deliver humanitarian aid and development to difficult parts of the world. We should salute the efforts of those people.

Bob Stewart (Beckenham) (Con): I am mindful that the people who went in on this exceptionally difficult operation were as brave as they could be, but I am also slightly worried because helicopters were used. Sometimes, helicopters are heard from a long way away, so there was warning, and one of the first principles of war is surprise. I hope that the investigation will look at the reason for using helicopters.

Mr Hague: It is very important for Ministers and those responsible for giving a general authorisation for such an operation not to interfere too much in the military aspect of it, which must be left to the military experts on the ground. Of course, my hon. Friend speaks with military experience and will know a thing or two about such matters. The terms of the investigation are still being drawn up, but I am sure that it will be able to look at all the military circumstances surrounding the operation. However, he should bear in mind that operating in Afghanistan, in mountainous and inaccessible regions, very often requires helicopter-borne operations, including if there is to be any surprise. Land forces making their way over mountains and through valleys over a long period of time may find it more difficult to achieve surprise than helicopter-borne troops.

Mr Denis MacShane (Rotherham) (Lab): This awful tragedy, like the one of Dr Woo to which the Foreign Secretary referred, reminds us of the rising death toll of civilians in Afghanistan as the Taliban target civilian administrators, mayors, justices and anybody whom they can kill as part of their campaign of intimidation. I wonder how much longer our strategy should be maintained. When he came to office, the Prime Minister indicated a change of thinking on Afghanistan, and I hope that that new thinking continues to be thought, as it were.

Mr Hague: We have been very clear about our approach to Afghanistan, and on giving all the necessary support to our troops. Indeed, we announced in the early stages of the new Government a doubling of the operational allowance for our forces who are fighting there. We have greatly increased development aid to try to assist the Afghan Government in building their own capability and the speed of development in Afghanistan in future. We have also lent our strong support, as the previous Government did, to the political process, to which the shadow Foreign Secretary, referred. That adds up to the right strategy for Afghanistan, and it is important that we are not diverted from it by events, including military encounters and tragic events such as the one that we have experienced and that we are discussing today. Such events do not invalidate the overall strategy that we are pursuing.

Mark Pritchard (The Wrekin) (Con): May I join the Foreign Secretary in paying tribute to Linda Norgrove and to the grace and dignity shown by the Norgrove family? Is it not the case that the ultimate responsibility for Linda's death lies fairly and squarely with the evil and cowardly Taliban?

Mr Hague: That is absolutely right—my hon. Friend reminds us of that extremely important point, which the whole House must always remember.

Paul Flynn (Newport West) (Lab): On Friday, in my constituency, I attended the funeral of Sergeant Andrew James Jones, the 339th British hero to die in Afghanistan. Of course, the responsibility for his death and Linda Norgrove's death lies with the Taliban, but does this House not have a responsibility to bring this increasingly futile conflict to a swift conclusion?

Mr Hague: The hon. Gentleman is right to remind us of the scale of the casualties, of the names that we have so often heard read out in this House and of the fact that his constituent was the 339th of our servicemen and women to die in Afghanistan. The hon. Gentleman has a long-held different view about the merits of what we are doing in Afghanistan. What I can say is that this Government will, as we have pledged, present a regular review—a quarterly review—to the House of what we are achieving in Afghanistan, or what we are not achieving, what our immediate objectives are and what resources are required to attain those. I hope before the end of this month to be able to make a statement to the House with the latest such review, which will enable hon. Members of all views on this issue once again to take part in reviewing what we are doing and questioning the Government.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Foreign Secretary referred to the long-standing policy of successive Governments not to make concessions to hostage takers. The international security assistance force troops comprise soldiers from more than 30 member states, and those states do not always take the same view in their responses to hostage taking. Is he having any discussions with some of those member states to ensure that, at least when we are in the same theatre of operations, we take the same approach?

Mr Hague: Yes, and the hon. Lady makes an important point. I have raised this issue with Foreign Ministers of other nations during bilateral discussions in recent weeks, because clearly if one nation is prepared to pay or to sanction the payment of ransoms, that can undermine the international position. I also raised this very strongly in the discussion on terrorism at the United Nations Security Council in New York, which I attended in late September, during the United Nations General Assembly. I particularly stressed the point that it is against not only international practice, but international law for such ransoms to be paid, and I will regularly reinforce that point to other nations.

Mike Gapes (Ilford South) (Lab/Co-op): In his opening remarks, the Foreign Secretary said that the hostages—Linda Norgrove and her colleagues—were taken by people wearing Afghan national army uniforms. Has he made any assessment of how many similar events have taken place in the past year in Afghanistan and of whether there is a problem with regard to the security of uniforms and other material from the Afghan national army?

Mr Hague: The hon. Gentleman raises an entirely legitimate point, which deals with one of the issues that we will need to follow up after this incident. As far as I am aware, this is not the only incident in which Afghan national army uniforms have been abused. It is not easy in the circumstances of Afghanistan, and with an army that now numbers well over 100,000 and has a relatively high turnover rate, to control the uniforms available around the country. This may therefore be a difficult problem to address going forward, but we will certainly want to do some additional work in ISAF and with the Afghan Government on how to tackle it.

Welfare Reform

4.4 pm

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): With permission, Mr Speaker, I should like to make a statement on welfare reform.

Let me start by welcoming the right hon. Member for Paisley and Renfrewshire South (Mr Alexander) to his new post as shadow Secretary of State for Work and Pensions. We have already had a conversation in the last week. I extend that welcome to all members of his new shadow Front-Bench team.

The statement today is in three parts. First and foremost, today—as everyone in the House may well now know—we launched an approach to those on incapacity benefit under the work capability assessment, and it is necessary for the House to hear this directly from us so that Members can question me. Secondly, I want to use this opportunity to set out more detail on the new Work programme, which is very much related to the work capability assessment. Thirdly, the House has a right to know more about our plans for wider benefit reform as we look ahead to a White Paper and welfare reform Bill, although I would add the caveat that greater detail will be contained in that statement.

The economic backdrop is severe. We have the largest deficit in the G20 at £155 billion—the largest in peacetime history—with debt interest of £120 million a day, or £43 billion in 2010-11. Under the previous Government's deficit reduction plan, which the Opposition now seem not to favour—although I might be wrong on that point—annual debt interest spending would have risen in only five years to almost £70 billion. Let me put that in context: that would have meant spending more on interest than we spent on policing, defence and transport combined. So, there is an urgent requirement to make these changes and reforms.

[1]We are at a critical point, with 5 million people on out-of-work benefits, 2 million working-age people claiming incapacity benefit, of whom 900,000—just under 1 million—have been claiming for an entire decade, and a system that has left Britain with the highest rate of jobless households in Europe. Those statistics reveal the human cost of leaving our welfare system unreformed, and with that comes an ever-increasing financial cost. The working age welfare budget rose by 40% in real terms from £63 billion in 1996-97 to £87 billion in 2009-10. A staggering £133 billion was spent on incapacity benefits in the past 10 years, and benefit spending is forecast to be more than £152 billion in 2010-11, which is about 10% of gross domestic product.

Today we spend £1 in every £3 on welfare in this country, yet youth unemployment is higher and inequality greater, and there are 800,000 more working age adults in poverty than there were in 1998-99. In that context, we also announced the reform of child benefit last week. I personally do not think that it is right, if we have to make changes and reductions, to tax the poorest to fund the receipt of child benefits by those with the highest levels of income. If we do this correctly, we can save about £1 billion, protect some 85% of families and secure fairness as we support people. I know that that is tough—we are in tough times—but I believe that it is fair, and that is the key. The important thing as we come through these spending reviews is that we should have a progressive change, not a regressive change.

1. *[Official Report, 11 November 2010, Vol. 518, c. 1-2MC.]*

[Mr Iain Duncan Smith]

At the same time, we announced procedures to set a cap on benefits for workless households to average earnings, which are about £26,000. However, we ought to set that in context. The cap will be net of income tax and national insurance, so if someone was working to receive that amount of money it would equate to gross earnings of some £35,000 a year—not a very narrow cap. Equally, we will exempt the disabled and those on working tax credit so that we encourage work incentives and do not penalise those who find it difficult to be in work. That is fair, and we will announce more details in the spending review, which means that I shall do my level best to answer some of the questions that I expect Members want to ask.

In the last week we have also announced a new enterprise allowance, which is there to help unemployed people who would like to try to set up their own business. We will be able to give them up to £2,000 in various forms, as well as the advice and mentoring of those who have started their own businesses. Today, the most important step is that we are launching two trials for those on the old-style incapacity benefit under the work capability assessment. The Minister of State, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), is travelling to Aberdeen and Burnley today to see both those trials get under way. They are about giving many thousands of people the opportunity to move from the margins of society into mainstream employment. I remind the House that we inherited the programme, and that I supported it while we were in opposition. We have had to make a few changes, and we will make more as necessary.

Under the new system we will assess people on the basis of what they can do, not what they cannot, and thereby support people to meet their aspirations for work. We are determined to get it right, which is why we will learn from the trials and why we have set up an independent experts group to scrutinise the assessment. That group includes, for example, the chief executive of Mind, so as the programme is trialled we will listen to and deal with concerns about those who are mentally ill, such as those expressed on the radio today. Through those measures and through the Work programme, we are committed to supporting everyone who goes through the assessment.

We will ensure that those deemed unable to work continue to receive the support that they need, and that those deemed able to work are fully supported to do so. People who are found fit for work will move directly on to our new Work programme rather than have their jobseeker's allowance stopped in the normal way. They will receive an integrated package of support, and in due course so will those who have been out of work for a longer period. It will provide personalised help based on individual needs, not on the benefit that somebody receives. Using the best of the private and voluntary sectors, that will help get people into work as quickly as possible.

The systems that I have described are what we call black-box systems, and I shall explain what that really means. Put simply, we will not lay down prescriptive criteria about how they should be run. We want those running them to do whatever is necessary to help people into work—that is the key. They will be operated on a payment-by-results system that ensures that providers do not simply go through the motions. They will receive their real money only for getting someone into work and ultimately keeping them there, and they will find rewards further up the chain as they do so. We have received more than 790 expressions of interest in joining the programme from providers, and in December we will invite bids for contracts, ready for national roll-out next year.

Finally, the work capability assessment and the Work programme are of course critical to getting more of the 5 million or 5.5 million people who are currently on benefits back into work, but they will not be enough. Underpinning that support must be a benefits system that incentivises work, and we have to ensure that work always pays. That is why the coalition Government aim to bring forward a White Paper soon and a welfare reform Bill in the new year.

The introduction of what I call the universal credit will restore fairness and simplicity to an overly complex, outdated and now wildly expensive benefits system that simply prevents people from getting back to work. As we get the benefits system working, we can get Britain working. The best way to get the deficit down, drive the recovery and get the economy moving is to ensure that more and more of the British people who can work do so. Welfare reform is critical, and I give a guarantee that people moving on to the universal credit will not be any worse off at any stage. In fact, they will be better off as they find work.

Everyone in the House should unite around, and try to achieve, the cause of moving people into work and creating a pathway out of poverty for the 5 million people on out-of-work benefits. I understand that the new leader of the Labour party has said that he will not be in opposition for opposition's sake, so I hope that he and his shadow Cabinet colleagues will do the right thing and support us in delivering a welfare system that is fit for the 21st century. I commend these reforms to the House.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): I thank the Secretary of State for his statement and for advance sight of it. I thank him also for his gracious welcome to myself and my team. Members of all parties will acknowledge and recognise the work that he has done both inside and outside Parliament over recent years on the crucial issues for which he now bears a heavy responsibility.

As befits a responsible Opposition, my team and I will work constructively with the Government when there is common ground between us, on issues such as increasing opportunities and support for people to get into work. However, I must also be clear that when the Government propose measures that we judge arbitrary and unfair, we will oppose them robustly.

The Secretary of State began his statement with a rehearsal of the case for reform. While, of course, I disagree with the rather partial and partisan account of the economic situation that he inherited, let me be clear about the fact that I recognise the need to continue the reform of the welfare system. I believe in a welfare state that ensures that there are more people in work and fewer in poverty. That empowers people and contributes to a fairer and more equal society.

Let me also acknowledge, on this first outing at the Dispatch Box, that conditionality does have a role to play, as we recognised in government, first, because we know that it works in helping people to turn around their lives and, secondly, because it is the foundation for ensuring the public support on which the welfare state is based. Accordingly, I will carefully scrutinise each of the Government's specific proposals on the welfare system.

The Secretary of State spoke about his plan to remove child benefit from higher rate taxpayers and, from the Dispatch Box, described that change as "fair". How does that change meet the fairness test when it will result in one family, with a collective household income of £80,000, getting child benefit and the family next door, with an income of £44,000, getting none? There have been a variety of claims as to what the threshold in fact is. Can he confirm at this time that the change will affect only parents earning more than £44,000?

Since the shambles of the announcement last week, the Prime Minister and others have suggested that marriage tax breaks might be introduced in the near future to compensate for the removal of child benefit. Does the Secretary of State accept that there is no coalition agreement to implement the Conservatives' marriage tax allowance proposals, that to date such proposals have applied only to basic rate taxpayers, and that even if his coalition partners were to accept those proposals, they would cost more than the savings made from the child benefit reform he proposes?

On incapacity benefit reassessment, which the Secretary of State touched on, despite its omission from the briefing in this morning's newspapers, I welcome his acknowledgement that he is continuing the previous Government's proposals on the trialling and roll-out of the work capability assessment. I note that those proposals this morning appeared to be attached to a specific target of removing 500,000 people from benefits. If a system of assessment is to be truly fair and objective, will he clarify whether that figure is a hard target, merely an assumption or a headline-grabbing claim?

I was also concerned to see reports in *The Times* today that those judged too sick or disabled to work could nevertheless have their benefits time limited to six months or a year. Will the Secretary of State confirm whether that is the case? If it is not, will he clarify what actual plans he has for reassessing those who are initially found to be unable to work?

The Secretary of State has also told us today that people found fit for work will move directly to the Work programme. His colleague the Employment Minister—the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling)—has previously told the House that the new single Work programme will not be introduced until the first half of 2011. How can that timetable be reconciled with the trials now under way, which were announced in Burnley and Aberdeen?

I welcome the comments made on the radio this morning by the Employment Minister, who said that he would be prepared to modify the test if it were not working properly. Indeed, I welcome the gracious acknowledgement of the Secretary of State's confirmation of that point today. However, he concluded his statement by describing welfare reform as an historic opportunity. It is, none the less, an historic error to fail to realise that effective welfare reform requires economic recovery. He seems to be in denial of the fact that getting people back to work requires there to be jobs for them to take up.

That insight explains why the previous Government took measures to ensure that unemployment was kept at about half the level of that in previous recessions, that the unemployed were supported and that, at the same time, those who could move from benefits into work were doing so. In contrast, the Government's own Office for Budget Responsibility revised forecast predictions that public sector jobs would be cut by 750,000 and that unemployment would increase to nearly 3 million people. Over the next few years, the Treasury's own papers indicate half a million more jobs lost in the public sector, half a million jobs lost in the private sector and half a million fewer jobs and opportunities for the unemployed.

Labour Members will continue to make the case for backing our economy, fighting for jobs and standing up for fairness while reforming our welfare system.

Mr Duncan Smith: I thank the shadow Secretary of State. May I answer a few of his particular questions? First, I thank him for his general support for the aims of what we are trying to do. I am sure that we will work together to achieve those. I think that is the best thing to do. I recognise fully that, of course, there are things that he will not agree with. That is reasonable, and it is exactly what I would say were I sitting in his place. In fact, I did exactly that some 10 years ago. How time goes on.

I also welcome the shadow Secretary of State's acceptance of the need for conditionality in the system; we will need to discuss that with him further. There is absolutely a need for conditionality, which can properly be introduced only once we have created what I call the contract—that is, when we can genuinely say that we have improved the programmes to get people back to work, and have made the benefit system simpler, having made sure that there are no blocks to people going back to work. If we fulfil that bit of the contract, those out of work and looking for work need to fulfil their bit of the contract—they need to take the work when it is available. That is the key to conditionality.

The shadow Secretary of State asked about the level at which child benefit will be removed. It is simple—it will be removed at the higher-rate threshold. At the moment it is £43,875, but of course I cannot predict what it will be. It is a matter for the Chancellor; no one should read anything into what I said. It is not my job to set the rate, but the benefit will be removed at the higher-rate threshold.

The shadow Secretary of State went on to say that the change is not fair. He describes the tax system when he says it is not fair, although I am not sure what he is trying to describe. The reality is we think, fairly, that it is wrong for someone on lower income to have to pay tax so that someone on higher income can receive an element of benefit to look after their children. If he thinks that it is unfair to make the changes through the tax system, I would like to know what he did in the past 10 years to reform the tax system that he now thinks is unfair. The very same tax system actually penalises those who have one single high earner in the family as against a household with two lower earners who together

[Mr Duncan Smith]

could be earning £80,000, so he is condemning the tax system that he has given to us. We can only use the system that we have, but he may now think that that is unfair.

The measures will help enormously to meet what I call a progressive form of reduction in costs. I think that the process will be ultimately welcomed—it has been welcomed by the general public.

The shadow Secretary of State made the point that he did not think there were enough jobs. Of course, we could do with many more jobs. We have inherited an economy that has been stuttering. In the past month or so there have been just under 500,000 jobs in the jobcentres. Those are not static jobs. Those are jobs that are available—they rotate; some are taken and new ones come on. We know that in the informal economy there are many more jobs being taken. That is evidenced by the fact that some 280,000 people went into work in the past quarter, which is the highest number of people back to work since modern records began in '89. The reality is that there are some jobs.

The shadow Secretary of State talked about growth. As he knows, over the period of the spending review, the independent Office for Budget Responsibility, the IFS—sorry, the IMF—and others have made forecasts; the IFS may yet make the same forecast as them. The IMF has forecast that growth levels will be between 2% and, in the medium term, 2.5% and that there will be a net increase in employment over that period. We can jostle over the figures, but I do not agree that there are no jobs available. As the economy begins to grow we will see even more jobs, but if we do not get people ready for those jobs, we will be in the same situation as he found himself in with 5.5 million people on out-of-work benefits doing nothing and languishing in households that had no work at all.

The shadow Secretary of State talked about the work capability assessment and he said that there were concerns. He is right. The figures that we were talking about were estimates of where we believe we could and should be. They are not hard targets. We cannot and will not set hard targets for a simple reason. As I explained earlier, this is a process. As we look at what happens in Aberdeen and Burnley, I hope—I am prepared to share this with him—that we will figure out whether there are things that we are doing right or wrong, so I am not saying that there are targets. It would be wrong to set targets.

As for the idea of reviewing the measures, the shadow Secretary of State said that he welcomed the Employment Minister's views. We will modify all the measures as necessary. The key thing is that nearly 1 million people have sat on incapacity benefit without anyone seeing them over the past 10 years. We have to change that. The Labour Government started that programme; we must finish it. I hope that we will receive his support. The right hon. Gentleman commented on the way that we do these things. We will consult where necessary and make sure that the Opposition get the evidence that they require to decide whether to oppose our measures.

I conclude by saying to the right hon. Gentleman and all Opposition Members that we inherited a major deficit from him and his team. That deficit is the largest in the G20. If we do not get that down, the interest payments on the loans alone will dwarf everything we do. What we are doing in the spending review is looking for ways to do that. At the same time, it is important to make sure that when we act to reduce the deficit, we share the burden across the income scale and we do not achieve savings on the backs of the poorest in society. I am here to make sure that that does not happen. I hope I will have the right hon. Gentleman's support in that when he sees how progressive the review turns out to be.

Several hon. Members *rose—*

Mr Speaker: Order. A great many right hon. and hon. Members are seeking to catch my eye, and there is a well subscribed debate on the Second Reading of the Finance Bill to follow, as a consequence of which brevity in both questions and answers is of the essence.

Harriett Baldwin (West Worcestershire) (Con): As a Back-Bench MP, I receive child benefit. Prior to entering the House, I was even better paid and received child benefit. Was the Secretary of State as surprised as I was to learn that the new Leader of the Opposition would like to restore child benefit to people like me?

Mr Duncan Smith: He may be after my hon. Friend's vote, in which case we will have to do some quiet talking. It is a ludicrous position to take. We now have a Labour party in opposition which prefers to defend the very wealthiest, and a coalition that wants to defend the worst off.

Kate Green (Stretford and Urmston) (Lab): Universal child benefit is the most effective benefit for reaching the poorest children, more effective than means-tested benefits which are designed for them. Can the Secretary of State enlarge on the implications of his comments last week that child benefit will, in due course, be subsumed into his new universal credit? Should I therefore assume that there is no prospect, regrettably, of a universal payment being reinstated when the economy recovers?

Mr Duncan Smith: The hon. Lady is right that child benefit has been and will continue to be a very effective mechanism to get money to the poorest families. We are not eradicating the universal benefit in the case of child benefit. We are capping it off at the higher rate. The rest—*[Interruption.]* Well, 85% of the public will get their child benefit. The hon. Lady asked specifically about the universal credit. I did not say that it would subsume child benefit. I said that as we reform the benefit system, and as the PAYE system is reformed, we should be able to look at these things long after the spending review and look for ways of getting rid of anomalies. Right now, in the spending review, there are no plans to make any such changes. We will do exactly as I said. Child benefit will be removed from families where there is at least one earner above the threshold.

Mr Edward Leigh (Gainsborough) (Con): For years my right hon. Friend and I argued in opposition that marriage should not be discriminated against in the tax and benefits system, and in particular that mothers who chose to look after their children at home should not be discriminated against. Can my right hon. Friend assure me that he has not changed his view, and that through mechanisms such as transferable allowances he will ensure that women are entitled to make their own choices and are not influenced by the tax and benefits system?

Mr Duncan Smith: I agree with my hon. Friend. I make a point of agreeing with him on many things. The changes to child benefit are exactly what they are—to help us to reduce the terrible deficit that we have and to save the poorest families in the land from suffering a terrible burden that they would have to bear in due course. As my right hon. Friend the Prime Minister made clear last week—these are not matters directly for me, but he and the Chancellor will bring forward measures in due course—the very best way to ensure that couples do not face that penalty is to ensure that they are not unfairly taxed from the outset. This is about child benefit, and we will support families who make the choices that they make.

Malcolm Wicks (Croydon North) (Lab): When, in the mid-1970s, the decision was taken to merge the child tax allowance, which broadly benefited the wallet, with the family allowance, which broadly benefited the purse, the then Labour Government, after a bit of a kerfuffle, decided that it should become a child benefit for the mothers, for reasons which, I think, both sides of the House recognise. Does the Secretary of State realise the dismay of many people in all parts of the House and the public that he is now running a coach and horses through the principle that it is very often the mother who has to juggle the family budgets, that certainly in the south of England, salaries at the level at which he is withdrawing benefit are not extravagant, and that that is a blow to the concept that mothers are at the heart of our families in Britain?

Mr Duncan Smith: I respect the right hon. Gentleman enormously, and he knows that, but I am afraid that he is living in a time warp. The reality is that we have walked into government to find facing us the single biggest deficit on record. This country is close to being broke, thanks to his Government and how they ran the economy. So, yes, in a perfect world we might have wanted to continue with everything as it was, but in reality we cannot afford to. We make such changes on the basis of ensuring that we do not make them on the backs of the poorest people. Had we done it any other way, he would have complained quite rightly, and I must say to him that, if he does not like the proposal, and it sounds like he does not, perhaps he or his Front-Bench colleagues will tell us where they think they are going to get the money from as an alternative.

Stephen Lloyd (Eastbourne) (LD): I appreciate the Secretary of State's commitment, through the work capability assessment, to include the chief executive of Mind on the independent panel, because it is recognised that some disabilities go into remission. Can he give any further reassurance that other disabilities, such as ME or MS, in which there are quite profound ups and downs and cycles, will be recognised in the new assessment?

Mr Duncan Smith: I can give the undertaking to my hon. Friend that all those issues will be reviewed with that team. If there is an issue about that, and if it affects anybody, we will want to try to bind that into the whole assessment. The assessment's objective is not to penalise people. The truth is that when we undertook the flow—putting people through a process that the Opposition undertook when in government—we learned a lot. We found that a large number of people who went through it have come out the better for going into work. No one ever saw them, cared about them or discussed anything with them, so we are trying to ensure that we give them help and support, not to penalise them.

Mr Michael Meacher (Oldham West and Royton) (Lab): Is it fair and reasonable to impose a fixed arbitrary limit on the total level of benefits that a family can receive, irrespective of the level of rents in inner-city areas, when that rent could well constitute 70% of the £500 per week ceiling? A family cannot possibly live on the remaining 30% alone.

Mr Duncan Smith: The right hon. Gentleman refers to the benefit cap, as announced last week. I think that it is fair. It is fair for us to offer an explanation to the public, most of whom work for low incomes and pay their taxes. They do not want to see somebody on benefits disincentivised from work because of the very level of money that they receive. I repeat what I said in the statement: to net-out £26,000, somebody in employment would have to earn about £35,000. So, I do not think that the measure is effective, in the sense that we are bearing down too hard. It is fair.

On housing, over the next few years we will manage the process with the changes to housing benefit. After all, over the last five years of the right hon. Gentleman's Government, housing benefit costs ballooned by £5 billion a year, and they were set to balloon to £20 billion a year. I have one last point for him: his Government had the lowest number of houses built at any time since the 1920s. I wonder whom he blames for local authorities having had to place people in those expensive houses.

Mr Oliver Heald (North East Hertfordshire) (Con): For a generation, disability campaigners have pressed for more jobs for people with disabilities, yet the employment rate of those people has remained pitifully low. Does my right hon. Friend agree that what his pilots aim to achieve, taken with the universal credit, is a situation in which people with disabilities get a fair break and a chance of a job, and that if they have a fluctuating condition there is a benefit system that supports them?

Mr Duncan Smith: Yes, I agree. That is exactly the point of all the changes that we are making, and the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Basingstoke (Maria Miller) is bound with that to review all that we do for disabled people in order to ensure that we do not write them off at any stage but give them an opportunity to go to work, if they can. We will absolutely support those who are not able to go to work. It is their right, and we will ensure that that is the case.

Jeremy Corbyn (Islington North) (Lab): I want to take the Secretary of State back to the point raised by my right hon. Friend the Member for Oldham West and Royton (Mr Meacher). The universal cap of £500 a week will have a devastating impact on people living in inner-London areas such as mine, where private sector rents—paid for by housing benefit—are exorbitant, to put it mildly. The cap will result in desperate poverty for those people who try to remain living where their children go to school and near their families and community. The effect will be one of social cleansing over a vast area of inner-city Britain. Is that what the Secretary of State really wants to achieve?

Mr Duncan Smith: I do not agree with the hon. Gentleman's reading of this.

Jeremy Corbyn: Look at the figures.

Mr Duncan Smith: I have been doing the figures, actually. The hon. Gentleman should remember that the measure is not being brought in until towards the end of the Parliament in 2013. In the meantime, we have already instigated some changes to how housing benefit is paid. The hon. Gentleman knows as well as I do that in some parts of London there has been complicity among private landlords to push the rents up much higher than they should have done. That was because the Labour Government never sorted out housing benefit.

The reality is that we will manage the process. The numbers will be far smaller than the hon. Gentleman talks about. We will make sure that what we do as we go forward is give the taxpayer and those in receipt of benefit a fair deal. I do not think that a person needs £35,000 a year gross to live a reasonable life.

Mr Peter Bone (Wellingborough) (Con): I thank the Secretary of State for his statement today. I do not think that anyone in the House is more able to deal with the welfare problem than him.

With hindsight, does my right hon. Friend think that it was a mistake to announce the change in child benefit policy in a television studio last week rather than waiting to announce it in the House today? Was a written statement given to the other place, which was sitting last week?

Mr Duncan Smith: The Chancellor made a statement in a television studio, but he made a statement to the country and my hon. Friend at the same time. All I can say is that the policy has been discussed by me, the Prime Minister and the Chancellor. As far as I am concerned, come the spending review my hon. Friend will see even more details about other changes. There will be full statements on those as well.

Mark Durkan (Foyle) (SDLP): Does the Secretary of State recognise that many of us represent places where the problem is a lack of work rather than a lack of work ethic? Is he hearing any concerns from the relevant Northern Ireland Ministers about some of the proposals on which he is still working? On the Work programme, the right hon. Gentleman has referred to the black box discretion that will be given to operators there. How will he ensure that there will be no black arts, in manipulating the statistics purely to gain payment by results and the other incentives that he says will be available further up the chain?

Mr Duncan Smith: As the hon. Gentleman may know, I have already visited Northern Ireland to discuss these matters with his colleagues. There may be some differences of opinion about where we are going, but most of that is because they have not quite arrived at the detail of it. I think that by and large these proposals, particularly the universal credit, will in general benefit Northern Ireland dramatically. The numbers of unemployed there are very high and we need to get those numbers down and get Northern Ireland working again. That is important. We have had the discussions.

Margot James (Stourbridge) (Con): My question pertains to the upper limit of £26,000 on welfare payments. My right hon. Friend stated that that equated to a gross income of £36,000. Many in my constituency work long hours, sometimes putting in overtime, but bring in considerably less than that. I remind Labour Members that those people have housing costs to pay as well. Can we make sure that people understand that the £26,000 is very much an upper limit, and that we should not ever see the welfare equivalent of £36,000 gross income as the norm?

Mr Duncan Smith: I made the point that we also have to balance taxpayers' requirements alongside those of people on benefit. By the way, when seen in the context of the total number of people on benefits at the moment, the numbers that we are dealing with are much smaller than people make out.

Most of all, I should say that we will not be doing this for people on disability living allowance. Those in receipt of working tax credit, for example—those in work—will also not be caught. We are simply looking to those families who have become static and immobile. There is a disincentive against their going to work; the amount of money that they receive is such that they could never get it if they went to work. Therefore their incentive to work is non-existent. That is the benefits system that we inherited; that is the benefits system that we will change.

Tony Lloyd (Manchester Central) (Lab): If the Secretary of State recognises that this period of uncertainty is very stressful for people on incapacity benefit, does he also recognise that drip-feeding information through the media is not the right way of giving people any confidence that the system is fair? In particular, I understand that 40% of people who were originally refused incapacity benefit had that overturned on appeal. What does he intend to do about that, because it is frankly unacceptable?

Mr Duncan Smith: If the hon. Gentleman is worried about the drip, drip, drip on the 20th of this month, I should tell him that there will not be a drip at all; we will get it out all in one go, so he should steady himself for that. None the less, the issue generally will be resolved, and I promise him that if there are any direct questions, I will answer them. He should remember that the figure that he refers to is 40% of all those who appealed. In total, 5% of those who have migrated have had their appeals upheld.

John Hemming (Birmingham, Yardley) (LD): I congratulate the Secretary of State on the proposals for the universal credit, which will make it worth being in work. As well as trying to fit people to jobs, will he consider trying to fit jobs to people by using the Government's contracting power to require that there be some jobs for the long-term unemployed and some jobs for people with disabilities?

Mr Duncan Smith: We will certainly ensure that we look at that suggestion.

Natascha Engel (North East Derbyshire) (Lab): There has been a huge increase in the number of people coming to my surgeries and saying that, having been on incapacity benefit, they have been reassessed as capable

of working but on appeal that decision has been overturned. That applies to the vast majority of people, certainly in Derbyshire. Does the Secretary of State have figures available for the whole country? I hope so, because if he is planning on rolling this out nationwide, we need to ensure not only that people who are wrongly assessed as capable of working are not left destitute but that the tribunal system is prepared for the huge number of appeals coming its way.

Mr Duncan Smith: Let me repeat the figures that I gave. Of all those who have been migrated through the system, about 5% have been successful in the sense that they have had their appeals upheld. There may be a slight change to that figure, because there is a backlog at the moment; we could probably make it up to 7% or 8%, but I do not think that it will get any higher than that. We should remember that all the people the hon. Lady is talking about represent the flow—that is, people who have not been in receipt of incapacity benefit until now but have been applying to come on to incapacity benefit and are being migrated through the process on to employment and support allowance or jobseeker's allowance. The figure for those appeals is 5%, and that was part of the process that was started by the previous Government.

Richard Fuller (Bedford) (Con): Many of us welcome the Secretary of State's efforts to tackle the scourge of worklessness and to end the era in this country of indiscriminate and too often counter-productive welfare. On work capability assessment, he will know that these macro benefits are built on a series of individual assessments by a particular doctor on a particular day of a particular condition. May I press my right hon. Friend to take a personal interest to ensure that assessments of neurological disorders and mental health issues in particular are done fairly?

Mr Duncan Smith: My hon. Friend raises a very important point. I can guarantee to him that we have already been doing that, but we will continue to do so. That is why the independent panel, which includes somebody from Mind, will review it. Mr Farmer has been tasked with reviewing that generally, as well. We will constantly keep this under review and ensure that that is the case. We do not want to use this to punish people; it is about helping people, not punishing them.

Sheila Gilmore (Edinburgh East) (Lab): Given the large number of my constituents and many others who had problems with the work capability test under the previous system, can the Secretary of State assure us that he has already reviewed the test prior to rolling out the new pilots, rather than leaving it as it is and piloting yet again? What full report is there on the outcomes of the system thus far? In Scotland, the Scottish Association of Citizens Advice Bureaux published a report that was highly critical of the system that was in place. Although a lot of us agree with it in principle, we know that when it comes to individual people the situation is very different.

Mr Duncan Smith: I guarantee that we have already reviewed the matter. Indeed, we inherited a review process, which the previous Government initiated. We will bind in the results of that—we are doing that at the moment. Having said that, we have subsequently set up the panel and asked somebody to investigate to ensure that we are covering all the necessary matters. The two pilots will help us understand better the way that the system works. I am not sure what else we can do at this stage. As I said to the right hon. Member for Paisley and Renfrewshire South (Mr Alexander), we intend to use what we are discussing as a process—it is not an end point, but a process that allows us to get the best out of how we deal with those who have been on incapacity benefit and need our support and help to get back to work. I give that guarantee.

Jake Berry (Rossendale and Darwen) (Con): Is my right hon. Friend aware that many responsible employers, including those in my constituency, ask their staff to attend annual health assessments? Does he agree that it is fair and reasonable for those deemed not fit to work to attend similar assessments rather than wait 10 years on incapacity benefit without seeing a doctor?

Mr Duncan Smith: My hon. Friend makes exactly the right point: for too long, Governments of both colours were content to see people parked on incapacity benefit. The subject should unite the House; the previous Government started the process and we want to complete it. It is no longer feasible for people to languish on incapacity benefit. My hon. Friend is right; in some cases, people have not been seen for six or seven years and in others, people self-referred and have never been seen by anybody to find out what is going on. It is high time we resolved that.

Pete Wishart (Perth and North Perthshire) (SNP): Will the Secretary of State please explain why a large swathe of Scotland is being used for the Con-Dem social experiment, especially when it involves some claimants travelling for up to 90 minutes to be interviewed? He will remember that the last time the Conservatives used Scotland as a testing ground was when they introduced the hated poll tax a year early. What safeguards and guarantees have the people of Scotland this time round?

Mr Duncan Smith: I am not sure what the hon. Gentleman is moaning about. Two cities are in the pilot, one in England and one in Scotland—he forgot that. The cities are different in character—they have quite different populations in terms of income. The hon. Gentleman made the point that some people travel long distances, and it is important for us to understand the exact effect of that. Sometimes I wish that he was not quite so parochial.

Sajid Javid (Bromsgrove) (Con): I paid a visit to my local jobcentre in Bromsgrove earlier this month, and I learned from the advisers that, in many cases, it takes them more than an hour to determine whether a jobseeker would be better or worse off by taking just six hours of employment in a week. Does my right hon. Friend agree that the introduction of the universal credit and the taper relief system will make a dramatic difference to job incentives for jobseekers, and also increase their life chances?

Mr Duncan Smith: I am glad that my hon. Friend sees it like that, because that is exactly how I see it. Of course, the devil will be in the detail, but we want a process that is easy to understand for those who are trying to get back to work, so that they do not need a

[Mr Duncan Smith]

maths degree to figure out exactly how much money they will retain if they do seven, eight, nine, 15 or 20 hours' work a week. We want it to be easy for them to understand that there is an incentive for every hour that they work, and for those in jobcentres to figure it out, so that they can give proper advice. We want incentives, not disincentives, to go back to work.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Will the Secretary of State give us some assurance about the future of the independent living fund? The Government trickled out the information that it was one of the quangos to be abolished. That report has caused my constituent, Mrs Seckerson, and her husband and carer, Barry Seckerson, real concern because if they lose that fund, her chance of living a meaningful life will be severely inhibited. Rather than leaving them fearful of the future, can the Secretary of State give them some sense of security today?

Mr Duncan Smith: The ILF, which we inherited, had been underfunded and was consequently overspent—literally on the day we walked through the door of government. The hon. Gentleman might therefore want to take up the reasons for such bad mismanagement with his Front-Bench colleagues. However, we want to ensure that we deal with people in those circumstances fairly and reasonably. We are reviewing the whole process now and, as and when we complete the review, I shall ensure that the hon. Gentleman hears the details of it.

Richard Harrington (Watford) (Con): I and most of my unemployed constituents to whom I have spoken favour what my right hon. Friend has said. I am sure that many of them are pleased to have the chance to go back to work if they can find a job and, of course, benefit from the extra income. However, after speaking to many people, I am convinced that several people simply expect a whole lot of new schemes, about which they will find out in order to find ways of avoiding them and of continuing what they quite enjoy: a life on benefits, albeit on a low income. I would be interested to know my right hon. Friend's views on that.

Mr Duncan Smith: The vast majority of people who are on benefits are not seeking to stay on benefits for the rest of their lives. Most of them are seeking help to get off benefits and we want to provide that help. Most of all, I want to simplify the number of benefits so that people understand what they will receive and how, but to link that to a process of getting back to work. I repeat that those who genuinely cannot work, because they have disabilities that make it impossible, must receive the best support possible. That is the sign of a civilised society.

John Mann (Bassetlaw) (Lab): The Office for Budget Responsibility has projected a net increase of 700,000 EU migrant workers during this Parliament, and that point was confirmed by Treasury officials to the Treasury Committee. Does the Secretary of State agree—and as the previous Government found to their cost—that an employer is more likely to prefer a new, young EU migrant worker to someone who has been on benefits for 10 years?

Mr Duncan Smith: The hon. Gentleman makes an interesting point. The only answer I can give is that during the past 10 years we have had between 4 million and 5 million people permanently parked on some form of out-of-work benefit. The reality is that it became easier and cheaper for most employers to employ people who were not on benefits than to go to the pool of people who were on benefits. I hope that our reforms will make work pay for those who are on benefits and thus release that pool of talent, so that demand can be met from here in the UK, and that only those who are really skilled and necessary will have to come from overseas.

Mr Philip Hollobone (Kettering) (Con): My constituents will be horrified to hear from the Secretary of State that Britain has the highest rate of jobless households in Europe. Which country in Europe has the lowest rate, and what is it doing that we are not?

Mr Duncan Smith: Perhaps I should not say this, but I think that it is Holland—I read that in a note. Some 20% of all households in this country have nobody in work, which is a staggeringly high number. We also have the highest number of children born to workless households. By and large, every other country is Europe is doing it better than we do—and that is the shame of the previous Government.

Bridget Phillipson (Houghton and Sunderland South) (Lab): Has the Secretary of State considered the impact of the benefits cap on homelessness provision, including women's refuges? What plans does he have for housing benefit for supported accommodation, where rents are understandably higher than in the private rented sector?

Mr Duncan Smith: We are looking at all that. I have made available some £60 million for transitional funding for local authorities and others, and we will keep that under review. We do not want to penalise households, because it may not be their fault that they are living in homes that they simply would not be able to afford. We need to ensure that the changes are made, and I hope that we will also be able to drive down some of the rents. A lot of change is coming in the next two years, and I hope that much of it will be very progressive.

Points of Order

4.53 pm

Mr John Denham (Southampton, Itchen) (Lab): On a point of order, Mr Speaker. Future students and their parents will be alarmed that Members from the governing Lib Dem party are preparing to break their election promises and vote for huge increases in university fees. Given the need for a system of funding that is sustainable, fair, progressive and related to earnings—and which means that able students do not have to shop around for the cheapest option—is it in order for Government policy on this issue to be announced by the Secretary of State not in a statement to the House but in an e-mail to Liberal Democrat and Conservative MPs?

Mr Speaker: I thank the right hon. Gentleman for raising what is undoubtedly an important point. Certainly these matters have been widely reported in the media and the House knows of my wish, oft-stated, that statements of Government policy should be made first to the House. At this stage, I do not know whether the briefing that has taken place falls into the category of briefing to the media in advance. However, I confidently expect—and I emphasise that point—that these matters will be before the House in the very near future, and I also underline that last point. That will both inform me and give the right hon. Gentleman and others the opportunity to explore these issues in greater detail. I hope that that is helpful to the right hon. Gentleman and to the House.

Paul Flynn (Newport West) (Lab): On a point of order, Mr Speaker. There is a proposal to close the passport office in my constituency, with the possible loss of 300 jobs, which would leave Wales as the only country in the United Kingdom without its own regional passport office. I wrote to the Minister responsible about the matter in September. No word has come from any Minister—neither the Home Secretary nor the responsible Minister—yet a civil servant has presented the case and argued it to the press; indeed, they were actually present in my constituency this morning trying to justify it. As the convention in this House is that we do not attack civil servants, how can we go about ensuring that those Ministers responsible for this irrational and damaging suggestion come before the House to justify themselves?

Mr Speaker: I am grateful to the hon. Gentleman for giving me notice of this matter, and I am struck by it. I am not clear in my mind that it is a point of order, but it is certainly an important matter. He will know that the House has invited the Procedure Committee to consider how Government statements are made to the House. He could draw that example—and I suspect that he will—to the Committee's attention. In addition, the Table Office will advise him on other opportunities to raise this important matter.

Finance (No. 2) Bill

Second Reading

4.56 pm

The Exchequer Secretary to the Treasury (Mr David Gauke): I beg to move, That the Bill be now read a Second time.

As observant Members will note, this is the second Finance Bill of this Parliament and the third one this year. The date of the general election earlier this year reduced the time available for scrutiny of technical measures in advance of that election, and the short timetable available between our emergency Budget and the summer recess has made it necessary to have a third Finance Bill to address various technical measures.

Given the content of this Bill, I suspect that there will be a fair amount of cross-party consensus on the matters in it but, in any event, I would like to congratulate the newly appointed shadow Treasury team. In particular, I congratulate the hon. Member for Wallasey (Ms Eagle), the shadow Chief Secretary to the Treasury, both on her election success as a member of the shadow Cabinet and on her appointment to her current position. She will bring considerable experience of Finance Bills to the shadow Treasury team, both as a former Minister and from the Finance Bill earlier this year.

Although he is not present, I should like also to congratulate the newly appointed shadow Chancellor, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson). He stated over the weekend that his first task was to read an economics primer, but he also expressed the need to hit the ground running, because of the Finance Bill today. Whatever his education programme, I suggest that he should not necessarily begin with the scrip dividend treatment of real estate investment trusts or the taxation of long cigarettes. However, we wish him well in that process.

At the emergency Budget in June, my right hon. Friend the Chancellor set out this Government's fiscal mandate, acting swiftly to tackle the deficit and restore credibility to the public finances. In the short, summer Finance Bill, we quickly put the core elements of the Budget on to the statute book, reassuring the British people and the financial markets that we would not allow Labour's debt to spiral out of control.

Kelvin Hopkins (Luton North) (Lab): The Minister mentioned cigarettes. Are the Government going to do anything to tackle the £4 billion that is lost through cigarette smuggling? That is four times the amount of money that they are apparently hoping to save by cutting benefits to the better off.

Mr Gauke: The hon. Gentleman makes the fair point that there is too much cigarette smuggling, and this is a matter that we are keen to address. My right hon. Friend the Chief Secretary to the Treasury has already announced proposals to provide additional funding to Her Majesty's Revenue and Customs to tackle cigarette smuggling, among other things. I very much welcome the hon. Gentleman's intervention but, let us be honest, it would be unrealistic to say that we could prevent all cigarette smuggling. We can, however, take steps to

[Mr Gauke]

reduce it. That would be to the benefit of the Exchequer, and I am pleased that the Government are moving ahead and doing that.

It is our determined actions that have restored confidence in the economy, stabilised the nation's credit rating and halved interest rates on Government short-term borrowing. We are saving money today so that we can invest in tomorrow. Ours is the right approach for the country, and that has been widely recognised. Only a fortnight ago, the International Monetary Fund said that our deficit plan was essential to restoring confidence in the UK's public finances and "supports a balanced recovery". That is the approach that we will take forward, including in the spending review.

Ms Angela Eagle (Wallasey) (Lab): I should like to take this opportunity to thank the Minister for his kind remarks about me and the new shadow team. If he is so convinced that the actions that the Government took in June have stabilised the economy, can he explain why a survey reveals today that confidence among Britain's financial chiefs has slumped to a fresh low, with 34% of finance directors polled by Deloitte believing that the economy will go back into reverse? Those findings demonstrate that optimism has dropped to its lowest level for 18 months.

Mr Gauke: The fact is that the measures that the Government have taken have had the support of the IMF, the OECD, the World Bank and the Governor of the Bank of England. We are getting widespread support for taking these tough measures. We also have the support of the director general of the CBI. There is an increasingly large consensus—it even includes Tony Blair—that if we simply deny the existence of the deficit and avoid taking these tough decisions, we shall face a worse problem later on. It is absolutely right that we should take these measures.

John Mann (Bassetlaw) (Lab): On the Deloitte survey, does the Minister agree that business people make investment decisions based on how they see the future? What will happen if those business people see a murky future? Will they not invest less? Would not that result in the Government's optimistic predictions of private sector growth, on which they are relying, not coming to fruition?

Mr Gauke: I shall tell the hon. Gentleman what would drive down investment: the fear that the Government were not prepared to take the tough decisions. Taking decisions for the long term to tackle the deficit will encourage private sector growth, and this Government are confident that we are taking steps in the right direction. We are also confident that a policy of reducing public expenditure rather than increasing taxation—which is the forecast of our plans to reduce the deficit—is the right way forward. Spending that is funded by borrowing is just a recipe for higher taxation and bigger cuts in the future, burdening future generations with the problems created by this one. That approach would drive down investment. Simply ignoring the matter would not help investment; it would not be fair and it would not be progressive.

Alec Shelbrooke (Elmet and Rothwell) (Con): Does my hon. Friend agree that the protests that we are hearing from those on the Opposition Benches are in stark contrast to the fact that the measures taken by this Government have secured our triple A rating?

Mr Gauke: My hon. Friend is absolutely right. The fact is that the Moody's triple A credit rating was deemed to be at risk, and has now been stabilised. Our market interest rates have fallen, and we are restoring confidence in the long-term capability of this country. If we refused to take these measures, we would be taking the most enormous risk.

It may be helpful if I give some of the background. As I said earlier, there remain some technical changes that we could not include before the summer, and the Bill provides for those changes to be made.

I think it safe to say that Members on both sides of the House will agree on the contents of the Bill. I should be disappointed if they did not, given that within the last year all but one of the measures that we are debating were proposed by the last Government I am glad that we have reached a consensus on that, if not on other matters. None the less, we wanted to ensure that the public and interested parties had an opportunity to provide input.

In the Budget we set out our approach to tax policy making, with consultation at the heart of the strategy. In the spirit of that new process, we published the Bill in draft over the summer. That has not only allowed key interest groups to comment, but reassured those affected by the Bill. More than 60 responses were received, and nine clauses have been modified as a result. Furthermore, many groups have voiced their approval of the provision of a draft Bill to allow for additional scrutiny, which has made the Bill better, clearer and easier to apply.

We also increased opportunities for consultation by creating the Office of Tax Simplification over the summer. We need to increase transparency for businesses and the tax profession: that is a message that we hear frequently. We also hear about the importance of greater predictability, stability and simplicity in the tax system. The Office of Tax Simplification will identify areas in which complexity in the system can be reduced, and we will publish its findings for the Chancellor to consider before he presents his Budget. Simplifying the tax system is not just a means in itself, but a vital sign that Britain is once again open for business.

The Bill is not just a good example of engagement with the public; it also supports our aims of helping businesses and promoting fairness. Clause 10 provides support for real estate investment trusts by relaxing their distribution requirements. Clause 13 removes intellectual property conditions linked to research and development tax credits, enabling more small companies to claim. Clause 11 fixes issues in the worldwide debt cap regime to allow it to operate properly. The changes affect businesses large and small. Clause 9 removes an unintended tax charge from company distributions, and clause 7 makes changes to the venture capital schemes to guarantee state aid approval.

The coalition Government are committed to ensuring that the decisions that we make are fair, and that we protect the most vulnerable in our society. The choices that we have made to date, and the actions that we will

take as part of the spending review, will help to make Britain fairer. Clauses 1 and 2 play their part by easing the tax rules for carers and extending the scope of the current tax relief. Clause 31 provides tax relief for trusts that compensate sufferers from asbestos exposure. I am sure that many Members will particularly welcome that clause. Clause 16 guarantees that those providing support under an adult care placement do not suffer capital gains tax as a result of sharing their home. Those too are small measures, but they provide significant and welcome support for those affected.

One clause has not been included in the Bill, although it was intended to feature. The aggregates levy credit scheme in Northern Ireland was introduced in recognition of the impact of the levy on legitimate businesses as a result of tax evasion on imports from Ireland and illegal quarrying. Over the summer, we consulted on legislation to be included in the Bill to extend the scheme beyond April 2011 to March 2021. Since then, the European General Court has annulled the Commission's state aid approval for the scheme, for the period covering April 2004 to March 2011. In those circumstances, it would not be appropriate to extend the scheme and we therefore decided to remove the clause from the published Bill. However, the Government strongly support the scheme and, if the Commission were to come to a fresh decision that the aid was approvable, legislation to extend it can be introduced in the Finance Bill in 2011. We will continue to work closely with the Commission, the authorities in Northern Ireland and representatives of the quarrying industry to find a solution that provides a level playing field for legitimate quarry operators in Northern Ireland, while maintaining environmental standards.

The other clauses help to align HM Revenue and Customs' interest and penalty regimes; enable the National Employment Savings Trust to operate as a registered pension scheme; assist with the correct allocation of overpayments of tax to settlers of trusts; and tackle evasion of excise duties. Although those clauses could not make it into the previous Government's final Finance Bill—although 71 clauses did make it into their four-hour Bill—we are ensuring that these necessary but less glamorous changes are made.

This is a simple, straightforward Bill that eases burdens on individuals, businesses and HM Revenue and Customs. It is one that the previous Government all but enacted themselves. In brief, it is an important but, I hope, uncontroversial Bill, and I commend it to the House.

5.11 pm

Ms Angela Eagle (Wallasey) (Lab): As the Exchequer Secretary has said, the Bill before us is the third Finance Bill that we have had this calendar year. We normally expect two if a general election intervenes, when the usual Finance Bill timetables are inevitably interrupted. However, this year we have had three. That is because of the decision of the Chancellor of the Exchequer to stage a piece of political theatre—I might even call it crass melodrama—when he presented his self-styled emergency Budget to the House in June. Rather than one that included all the necessary legislative provisions that had to be enacted this financial year, we got a tiny Bill. Its purpose was to tie the Liberal Democrats into the huge cuts to come and to the VAT bombshell before any summer revolts could gather pace and menace the Government's stitched-together majority.

Sajid Javid (Bromsgrove) (Con): I congratulate the hon. Lady on her new position. The emergency Budget to which she referred was absolutely necessary considering the train wreck of an economy that we inherited. The country's debts were spiralling out of control. That Budget calmed the debt markets and allowed the country to look at its finances and to bring economic competence back into the Treasury.

Ms Eagle: The hon. Gentleman is even more melodramatic in his rewriting of history—his historical revisionism of what was going on in the UK economy—than the Chancellor. I had thought, having watched that performance, that that was impossible, but perhaps the hon. Gentleman should try out pantomime this year as Christmas approaches.

I was about to say before I was so rudely interrupted that, rather than encumber himself with the tedious technical detail in this Budget, the Chancellor decided to start behaving like the Liberal Democrat student activists we all come across at university and to take it in parts. This is part two. As a result, we have in today's Bill what can best be described as the technical innards of a Budget; I think that the Exchequer Secretary used other words. In fact, most of the clauses, as he pointed out, are the technical innards of the last Labour Budget, which was presented in March 2010. However, it is the duty of the Opposition to scrutinise the detail of all Budgets, and we certainly intend to fulfil that obligation tonight.

Measures included in the Bill are important to the workings of the taxation system—the Minister did the House a service by going through them in great detail—but they have failed to inspire much interest or controversy in the outside world, perhaps because they have been signalled for a long time. The measures were subject to consultation under the previous Government as well as the current one when they were in development. Some might even say that they were prototype proposals, because that is the way that things tend to be done in the Treasury. That is attested to by the lack of much comment on or reaction to the proposals even among the taxation professionals who usually pore over the technical details of Finance Bills with fine-toothed combs. In respect of this Finance Bill, those professionals have been strangely unmoved—I might even say indifferent.

Kelvin Hopkins: I, too, congratulate my hon. Friend on her appointment to the Front-Bench team and I am pleased to see her there. Is not the fact that this is a mouse of a Bill, given that we face a £120 billion tax gap that the Government are doing nothing to reduce, and that 1% of that sum would save more money than their cut in benefits?

Ms Eagle: My hon. Friend is right to point out that there are two sides to the deficit reduction equation. Clearly, one side of that is collecting the taxes that are due in an appropriate fashion, and I shall say more about that later in my speech. He is right that we need constantly to keep that side of things in mind.

I was about to pay tribute to the Institute of Chartered Accountants, which was one of the few organisations to submit comments on the Bill when many had fallen by the wayside. Perhaps it is up to the Opposition to be vigilant when others have taken their eyes off the ball.

[Ms Angela Eagle]

As my hon. Friend said, it is odd that we are debating a seemingly uncontroversial and overwhelmingly technical Finance Bill in the midst of one of the most difficult and dangerous periods for the UK and world economies in many generations. We have lived through the largest banking and financial crisis in the global economy since the Wall street crash of 1929. It has caused a deep and painful global recession, and we are struggling with the aftermath of the rescue of the world financial system from the colossal market failure that was dramatised by the collapse of Lehman Brothers in 2008. That inevitably caused budget deficits to soar everywhere, but especially in the more advanced western economies.

The UK was particularly affected, in part because of the size of our banking and financial services sector. The concerted action co-ordinated at the London G20 conference averted a catastrophe, and we are now witnessing a tentative economic recovery. However, that recovery remains distinctly fragile.

Lorely Burt (Solihull) (LD): We have the biggest budget deficit in the G20. What does the hon. Lady believe contributed to that? Could the previous Labour Government, of whom she was a member, have done a bit more to try to avoid that?

Ms Eagle: The hon. Lady must recognise that the budget deficits being suffered in all the more advanced economies result directly from the need to rescue the world financial system by underpinning it, the effect of automatic stabilisers and the loss of revenue caused by the recession that followed the credit crunch. I thank her for giving me the chance once more to put that on the record.

Claire Perry (Devizes) (Con): Will the hon. Lady give way?

Ms Eagle: I will be happy to give way when I have finished dealing with the point made by the hon. Member for Solihull (Lorely Burt). I am pleased that she gave me the chance to put on the record again the plain fact that Budget deficits throughout the developed world were caused by the costs of the recession and the need to underpin our banking systems, rather than by profligacy in public spending. The problem was caused by a gigantic global market failure, not by the activities of Governments.

Claire Perry: It is a pleasure to welcome the hon. Lady to her new role, as she is one of the more economically literate and articulate of the shadow Front-Bench team. I am therefore surprised that she continues to bring out the hoary chestnut that somehow this deficit was entirely a result of the collapse in the banking system and was nothing to do with the previous Government's spending more than they raised in taxes since 2001.

Ms Eagle: The hon. Lady has also to recall and acknowledge that a lot of the investment spending since 2001 went on infrastructure, which will stand our country in good stead as we look to how we can rebuild our prosperity and continue to earn our way in what will be an increasingly competitive world.

Charlie Elphicke (Dover) (Con): I would point out to the hon. Lady that the Office for Budget Responsibility says that there is a structural deficit of £109 billion—I believe that is the figure—which has nothing to do with the banking crisis or the recession and will not be eliminated by growth. Does she not accept that the previous Government have some or full responsibility for that structural deficit?

Ms Eagle: I think we need to have a much more grown-up discussion about how we ended up facing these economic challenges. One of the more underhand approaches that the Government have taken to this narrative has been to say that the economic challenges facing us, which are formidable, are somehow all about the previous Labour Government wasting public money and spending profligately. The hon. Gentleman knows that that is simply is not true—

Several hon. Members *rose*—

Ms Eagle: I will give way in a moment. If we reach the stage where we have an appropriate analysis of how our economy got to be in this situation, we will stand a far better chance of having a reasonable discourse about how we can best move forward, rather than having this gross caricature being made by those on the Government Benches.

Mark Tami (Alyn and Deeside) (Lab): The Government seem to forget that when they were in opposition they promised to match our spending. The Liberal Democrats have great cheek to say now that they did not support the increased level of borrowing—I recall that they certainly did.

Ms Eagle: That is true. Clearly, the Chancellor and Prime Minister are on record, up to and including in 2008, as doing precisely what my hon. Friend says and supporting our spending commitments as they were at the time.

Although the recovery remains distinctly fragile, the June Budget took a huge and risky gamble with it. Since then, confidence in the UK's economic prospects has fallen off a cliff and business surveys, such as that by Deloitte which I asked the Exchequer Secretary about, demonstrate that economic sentiment is darkening. There are increasing signs that the tentative recovery is stalling and that the economic storm clouds are gathering once more.

Kelvin Hopkins: I agree entirely with what my hon. Friend is saying. Is it not true that those who invest and those who are lacking confidence now are simply aware that cutting spending, cutting jobs and cutting benefits will drive the economy into recession, and that nobody will invest when we are diving into a recession? Does she agree that in the early part of this decade Britain had a relatively low level of public spending as a proportion of gross domestic product compared with, for example, Scandinavia?

Ms Eagle: My hon. Friend is right on both points, but he also raises an important issue about what Keynes called "animal spirits". It is fair to say that all the signals are that the animal spirits are somewhat more depressed now than they were a few months ago and that the things that have depressed them are the decisions that were announced in the June Budget.

Ominous noises are coming out of the recent International Monetary Fund meeting about currency wars and competitive devaluations, and they offer worrying echoes of conditions that led to the great depression in the 1930s. Dominique Strauss-Kahn was not joking or exaggerating when he warned the IMF meeting about the dangers that the huge increases in unemployment will pose for our democratic institutions. Yet none of this is referenced in the measures before us today.

Sajid Javid *rose—*

Ms Eagle: I have given way to the hon. Gentleman before and I want to get on, because I know that other people wish to speak.

In many ways, we find ourselves in a kind of pre-spending review phoney war. We know that something truly awful is coming but it has not arrived yet, so we are whistling to keep up our spirits as the winter approaches and the long nights draw in. The Prime Minister himself has taken to using wartime phraseology. For some strange reason, in his conference speech he was moved to invoke the spirit of Lord Kitchener and his famous "Your country needs you" first world war Army recruitment slogan, not once but twice. Quite why he did that is beyond me, since Lord Kitchener was the general who created the world's first concentration camps in the aftermath of the Boer war. They inflicted appalling suffering on innocent women and children in order to quell any Boer resistance. As Secretary of State for War, he supported the disastrous Dardanelles operation and was widely blamed for the shortage of shells in 1915, which, incidentally, precipitated the formation of a Tory-Liberal Government.

Of course, Kitchener has become best known for the famous Army recruitment campaign and its memorable slogan, which our Prime Minister saw fit to borrow the other day. In 1914, that plea resulted in the creation of what became known as "Kitchener's Army", and I suppose we should refer to the attempts to create a "big society army" to fill in the gaps that the cuts will create. Unfortunately, however, that Army was destined to go into action in the Somme, where 60,000 of them were slaughtered on the first day of the offensive. By its end, 600,000 had been lost to gain just 6 miles of territory, and overall casualties in the offensive as a whole reached an almost unbelievable 1.2 million men—

Several hon. Members *rose—*

Ms Eagle: I shall give way in due course, when I have finished.

Mr Brian Binley (Northampton South) (Con): Be kind to me.

Ms Eagle: I shall give way in due course, but not at the moment.

I was just saying that the Somme offensive cost—

Mrs Anne Main (St Albans) (Con): On a point of order, Mr Deputy Speaker. Is this rather long revisiting of first world war history directly related to the Finance Bill's Second Reading?

Mr Deputy Speaker (Mr Nigel Evans): Had I noticed anything out of order, I would have been sure to have pointed that out. As it is, I believe that the shadow Minister is now moving on.

Ms Eagle: I was just about to do so, Mr Deputy Speaker, but suffice it to say that Kitchener's Army became a tragic symbol of a lost generation, pointlessly sacrificed because of the idiocy of those in charge. Perhaps, whether he realises it or not, the Prime Minister was on to something with his choice of exhortation.

Jacob Rees-Mogg (North East Somerset) (Con): I thank the hon. Lady for giving way and add my congratulations on her elevation. It will be a great privilege to listen to more of her speeches, I hope often on Kitchener. I fear that she has maligned the late noble Lord Kitchener of Khartoum, the rescuer of what remained of Gordon's body from Khartoum. Perhaps most relevantly, the death rates in the camps established in South Africa were exactly the same as—

Mr Deputy Speaker: Order. This would be a fascinating debate at another time and, perhaps, in another place.

Ms Eagle: Thank you, Mr Deputy Speaker. I know whose side I would rather be on in any attempt to rehabilitate Lord Kitchener.

As the spending review approaches, we are beginning to see increasing signs of nervousness about the likely effects of the cuts, and that is just among Ministers. We already know that the Government have taken a decision in principle that a huge increase in unemployment is a price worth paying to get the deficit down. In an admission that the spending review will depress economic activity, the Chancellor recently made it clear that he will sanction the resumption of quantitative easing, or increasing the money supply, should the cuts in demand tip the country back towards recession. However, the extent to which monetary policy can be effective when interest rates are so low and demand is depressed is the subject of well-placed scepticism in very respectable economic circles.

Albert Owen (Ynys Môn) (Lab): I welcome my hon. Friend to her new position. Does she agree that there are lessons to be learned from the Republic of Ireland, where a centre-right coalition has made savage cuts quickly? That has not only affected its triple A rating—it has been downgraded—but created mass unemployment.

Ms Eagle: Yes, I do think we have to keep a careful eye on what is going on elsewhere in the world. It is clear that the mantra that there is no alternative is simply not true.

Mr Andrew Love (Edmonton) (Lab/Co-op): I add my support for my hon. Friend after her elevation to her new position. She mentioned quantitative easing, and she will no doubt have seen the widespread reports in the newspapers over the weekend that the Chancellor has given it a green light. Is that not his plan B, and his way of avoiding the so-called "difficult decisions" and passing them on to the Bank of England?

Ms Eagle: It certainly indicates that there is some nervousness and worry about the downturn in what the economic indicators say about the effect of measures that were announced with great fanfare in June.

Andrew Bridgen (North West Leicestershire) (Con): Does the hon. Lady agree that the main thing that we can learn from the economy of the Republic of Ireland is that we were right not to join the euro and should never do so?

Ms Eagle: I look forward to the debate that will take place within the Government on that, as I can see that Liberal Democrat Members are not exactly enamoured with the hon. Gentleman's point.

At the weekend, the Cabinet seemed to send incoherent messages about the £83 billion cuts agenda that lies ahead. The Energy Secretary told *The Daily Telegraph* that spending cuts were not

"lashed to the mast with a particular set of numbers"

and could be scaled back if economic conditions deteriorated, but the Transport Secretary insisted that the Government would not deviate despite fears that the drastic cuts would damage the economy. The latter clearly regards himself as the real Chief Secretary—or perhaps it would be more accurate to say the Tory Chief Secretary—but which of the two is presenting the Cabinet's real view? They both serve in it, so which of them is right? Perhaps when the Economic Secretary responds tonight, she would like to enlighten us about which of their positions is the real Government policy, at least for today.

Some things that I would have thought would be in the Bill, given the formidable economic challenge that now faces us, are conspicuously absent. Where is the plan for growth? We all know that growth is one of the most effective ways of dealing with a deficit. Thus, plans to get the deficit down need to be growth-friendly, but precious little in the Bill is intended to address that urgent requirement.

Since May there have been plenty of cuts that may well have a bad impact on our growth prospects, such as the abolition of regional development agencies and the savage cuts in the funding available to assist regional growth strategies. The decision to scrap the loan to Sheffield Forgemasters is another example. That company could have played a leading role in the developing global nuclear industry, but its chances of doing so have been set back significantly by that decision. The increase in VAT, which estimates suggest will cost each household in the country more than £500, will hardly boost demand, so where is the plan for growth? The Prime Minister claimed that his first Budget would be

"a Budget that goes for growth",

but after the Chancellor's theatrical efforts in June, the Government's own forecaster, the Office for Budget Responsibility, downgraded its growth forecast for this year from 1.3% to 1.2%, and for next year from 2.6% to 2.3%. The CBI also decided to lower its growth forecast for next year from 2.5% to 2% to take account of the June Budget.

Alec Shelbrooke: I welcome the hon. Lady to her Front-Bench position. If the 2.5% rise in VAT is so wrong, why was it right for the previous Government to return it from 15% to 17.5%? Although there had been a reduction, that was still a 2.5% rise.

Ms Eagle: The hon. Gentleman was not in the House at the time, but the reduction in VAT was part of the fiscal stimulus that kept the economy afloat during the most dangerous parts of the credit crunch. The growth figures for the early part of this year show that that fiscal stimulus package was working.

Stewart Hosie (Dundee East) (SNP): The hon. Lady talks about the fiscal stimulus package working. It did work, of course, and I backed fiscal stimulus. Does she not now regret that the previous Government was one of only two in the G20 fully to withdraw the fiscal stimulus package in 2010?

Ms Eagle: The hon. Gentleman is arguing that we should do the opposite of what the Government decided to do in June. I hope that, in due course, we will see him in the Lobby with us.

Alison McGovern (Wirral South) (Lab): I thank my hon. Friend for giving way and welcome her to her new role. I am pleased to see one of my Wirral constituency neighbours at the Dispatch Box. I was not a Member of the House at the time, but I recall the temporary VAT reduction to 15% as being just that—a temporary improvement for consumers to build confidence. Will she assist me? Was that the case and how does that measure compare to the VAT proposals made by the Chancellor in his Budget?

Ms Eagle: Clearly, that measure was temporary and well signalled in advance—a cut to boost the economy in the short term in the most effective way. The interesting thing about what has been announced since June is that the VAT increase appears to be permanent. We are also seeing a range of other announcements, such as the shift from the retail prices index for benefit increases to the consumer prices index—not temporary to deal with a situation in front of us, but seemingly permanent.

John Mann: Will my hon. Friend give way?

Ms Eagle: I am happy to.

John Mann: My hon. Friend may not be too happy to give way, but first I congratulate her on her appointment. She is an appropriate and excellent appointment to the Opposition Treasury team. However, she is making an argument about increasing taxation leading to a reduction in growth. Is that not a rather dangerous argument for a Labour Opposition to make when the choices between spending and taxation are precisely those that any Government would have to make? Is it not time that the Labour Opposition re-examined their opposition to the VAT increase? Should we not reverse that opposition and support the increase as an appropriate way to increase taxation at a time when we need to offset any cuts that would lead to job losses in the public sector?

Ms Eagle: My hon. Friend should take account of the regressive nature of VAT and the fact that the Government have trumpeted from the beginning that their measures will be fair. They even used the word "progressive" during the June Budget discussions when the analysis by the Institute for Fiscal Studies and recent work by Age UK demonstrates that the effect of the Budget measures of which the Bill is a small part will be the exact opposite of progressive. It will be regressive; it will hit the poorest hardest, and VAT has a part to play in that.

John Mann *rose—*

Mr Gauke *rose—*

Ms Eagle: I am anxious to get on. I have given way a lot and many other Members wish to speak.

The Irish example demonstrates the risks of focusing on getting the deficit down—too high a cost to the growth potential of the economy. The Irish have had deep and fast cuts as well as tax rises, but growth has been hit, which is making getting the deficit down harder rather than easier.

Mr Gauke: I am grateful to the hon. Lady for giving way and I am listening carefully to her somewhat gloom-laden speech. I can see why her military role model is not so much General Kitchener as Private Frazer. May I press her on one particular point? The position of her party at the general election was in favour of spending cuts of 20% over the Parliament and halving the structural deficit over four years. Does she still support that position?

Ms Eagle: That is our starting point as we move forward to judge what the Government will announce in a few days' time. The issue here is the scale and speed of the deficit reduction, and how that impacts on our approach to being able to see some kind of economic recovery sustained, given what is happening in the rest of the world. The worry that we have always had about the Budget judgment implicit in the June announcements and soon to be reinforced in the forthcoming spending review is that the medicine being fed to the patient runs a higher risk of killing it off. We do not want the deficit reductions to be too soon and too deep to sustain a recovery. The Irish example demonstrates the risks of focusing on getting the deficit down at too high a cost to the growth potential of the economy. The Government have a particular view on those judgments, but we disagree with them on the necessity for speed and the ferociousness of the deficit reductions. We are not saying that deficit reductions will not be necessary. The Chancellor used to mention the Irish example all the time as the Irish Government made their extremely deep and fast cuts, but lately he appears to have stopped referring to it at all. I wonder why.

The Government are gambling on their outdated and dogmatic view that if only the state would get out of the way, the private sector would spontaneously move to fill the gap and quickly create the 2.5 million extra jobs that the Office for Budget Responsibility has calculated would have to be created to get the deficit down as forecast. Thus our economy is meant to perform better in job creation terms than it has ever done before, even in much more benign economic circumstances than those we face.

We have just lived through the most dramatic example of the limits of that market fundamentalism that any of us are likely to see in our lifetime. It was not the private sector that rescued the world financial system from meltdown in the credit crunch; it was the co-ordinated action of Governments. Governments have a crucial role to play in fostering economic growth and helping to encourage the emergence of a better, more balanced economy, yet the Bill does nothing to restore the support for industry that the Government have already cut. It does nothing to reverse the £3.6 billion tax hike that will hit our manufacturers in order to pay for the corporation tax cuts announced in the June Budget, £1 billion of which will go straight back to the banks.

Abolishing allowances and reliefs effectively hits businesses with a tax hike when they invest. It benefits investment-light industries such as financial services over investment-heavy industries or new sectors looking to grow. That change penalises companies that need to make sustained investment to establish themselves and grow. It is a strange way for the Government to signal that they wish to see a rebalanced economy and the creation of new industry. Little wonder, then, that the plans have been described as "a disaster" by the senior economist at the Engineering Employers Federation and that the Institute for Fiscal Studies has said:

"Cutting investment allowances to fund a cut in the mainstream corporation tax rate would help companies which make large profits with little investment, at the expense of businesses that are investing heavily in the UK but making only marginal returns."

There is no sign of a serious growth strategy.

Stewart Hosie: Will the hon. Lady give way?

Ms Eagle: I have given way to the hon. Gentleman before, but I shall do so once more.

Stewart Hosie: I agree with much of what the hon. Lady has said. Would it not carry more weight, however, if her Labour Government had not abolished, for example, industrial buildings allowance and agricultural buildings allowance—the very sort of allowances that she described that would help investment now. Would not her argument carry more strength if her Government had not butchered those important allowances only a few years ago?

Ms Eagle: I remember the detailed discussions that we had on that issue in previous Finance Bill debates. The hon. Gentleman has probably been in more of them than I have. The issue is not the abolition of allowances that are 40-odd years old and increasingly do not recognise the changed shape of UK industry. It is about abolishing allowances completely to fund a cut in mainstream corporation tax, with the result that the incentives for investment are taken away at the point of investment.

One of the measures that the Bill ought to have contained but does not is the creation of a tax relief for the video games industry. We all know in the House that in the UK we have a particular expertise in creating video games, which was beginning to create high-value jobs in the UK in what has become a multi-billion-pound industry. We also know that our brightest software engineers are being tempted abroad by generous and possibly illegal tax breaks, and that we risk the decimation of our UK base if we do not respond. That is why, while we were in government, we developed the video games tax credit, which was to operate along the same lines as the film tax relief. In opposition, just before the election, the Conservative party supported that. On 13 April 2010 the hon. Member for Wantage (Mr Vaizey), now the Under-Secretary of State for Culture, Olympics, Media and Sport, said:

"We are committed to a tax break along the lines of the video games tax credit. We have been calling for tax breaks for the video game industry for the last three years."

Like so many other things said during the general election campaign, that pledge was abandoned immediately after it. We will want to explore the issue further in Committee.

[Ms Angela Eagle]

Before the Minister uses the standard Treasury line about how the video industry can always make use of the research and development tax credits that are available more generally, he might care to put all our minds at rest and deal with the nasty rumours swirling around that the entire R and D tax credit may be at risk in the cuts to come. Perhaps the Economic Secretary will reassure us on that point.

Another notable omission from today's Bill is any reference to increasing the resources which will allow HMRC to build on its already excellent work to tackle the tax gap. Obviously, as was said earlier, the more that tax due is collected, the more effectively the deficit can be tackled and the less pain our society will be forced to endure during the adjustment ahead. During the conference season the Deputy Prime Minister made much of the need to close the gap between the taxes that are due and those that are actually collected. He made grand and welcome pronouncements that it is "ethically wrong" to avoid paying our taxes. He was followed by the present Chief Secretary to the Treasury who announced, interestingly, that he regarded both tax avoidance and tax evasion as "morally indefensible" in times like these.

Kelvin Hopkins: I agree entirely with what my hon. Friend is saying. PCS, Richard Murphy and others have made the simple point that appointing more tax officers would solve the problem. They collect many times their own salary, and it would be highly beneficial to the Exchequer if that were done.

Ms Eagle: My hon. Friend is well known for his views on the subject.

Neither of the Ministers whom I just quoted revealed just how successful HMRC has been in pursuing this work in the past three years. HMRC increased the yield from compliance interventions by 60% in the three years to 2008-09. However, we all know there is more to be done and we would all support sensible measures to make such work even more effective.

Following all the fuss about that and the headlines generated, I would have expected to see some extra action in the Bill. However, despite the dramatic headline-grabbing moral assertions, nothing has been added to the Bill to signal the Government's determination to launch a further crackdown. The worry is that the 25% to 40% cuts in departmental staffing due to be announced in the forthcoming spending review will seriously damage HMRC's ability to maintain its work on improving tax collection, let alone to launch a further successful crackdown on the tax cheats. Again, this is a topic to which we will return in Committee, but I would be grateful for any reassurances the Minister may be able to offer us tonight that the operational capacity of the HMRC in this crucial area will be enhanced rather than decimated in the cuts to come.

Perhaps the hon. Lady can also explain to the House precisely what signal on tax collection the Government intend to send by appointing Sir Philip Green to advise the Prime Minister on Government efficiency. His own tax arrangements include paying a £1.2 billion dividend to his wife, who just happens to be domiciled in Monaco for tax purposes. Although this is not illegal, the Business Secretary has gone on record as saying that he is unhappy about it, and the Energy Secretary has said that it sends the wrong message. Can the Minister explain how this example squares with the Chief Secretary's grand pronouncement that both tax evasion and tax avoidance are immoral in times like these? Once more, we must look at this Government's actions rather than their words. Their decisions will be far more eloquent than thousands of well-crafted press releases or any synthetic outrage.

As we await the spending review, it is abundantly clear that the centre of economic and political attention lies not with the Bill but elsewhere. We would have wanted this legislation to contain at least the beginnings of a plan for growth, but it does not. It should have contained some extra and concrete plans to back up with credible action the Deputy Prime Minister's fine words on the immorality of avoiding taxes, but it does not. In choosing to cut the deficit further and faster than we proposed, the Government have taken a huge gamble with our economic prosperity. A synchronised deficit reduction throughout the developed economies risks plunging the world back into either recession or a Japanese-style jobless recovery. The Irish example should be a salutary lesson to the Government of the risks that they run with their economic approach.

In the meantime, we will look closely at the Bill and take a keen interest in it as it goes through Committee. We will see whether some of the issues that I have raised can appear as amendments during its passage through the House.

5.51 pm

Mark Simmonds (Boston and Skegness) (Con): I draw the House's attention to the Register of Members' Financial Interests.

I am aware, as the Government and Opposition Front Benchers have said, that this is primarily a dry and technical Bill, and I shall address one particular area later in my remarks. However, it is important to set out the macro-economic climate and conditions if we are to provide a context for the Bill and for next Wednesday's statement.

The contribution from the hon. Member for Wallasey (Ms Eagle), the shadow Minister, was perplexing. While wanting to congratulate her on her promotion, and on the fact that she clearly has a grasp of economic issues, I note the sense of complete denial about the serious situation in which we as a country find ourselves. It is quite clear that the coalition Government's very difficult inheritance—with the previous Government having doubled the national debt so that we have the biggest deficit in the G20 and with more being paid in interest than the police, defence and transport budgets combined—emphasises the critical need to address the problem of the fiscal and structural deficit.

Treasury Front Benchers, the Chancellor and his colleagues, are absolutely right to dismiss the Opposition's complaints. Why would anyone listen to a strategy from the very people who created the problem in the first place? I shall pick out one aspect of what the hon. Lady said, because it is something that the country needs to understand. The structural deficit, and the amount of money that the previous Government borrowed and this coalition Government have inherited, are not down

to the banking crisis. The economic indicators update, which the Library provides, states very clearly:

"The Government borrowed £155.6 billion in 2009/10 (11.1% of GDP)"—

staggering numbers. Secondly, it states:

"The OBR's Budget forecast for borrowing in 2010/11 is £149 billion. The OBR forecast that government debt will be £932 billion in 2010/11."

And, it makes the third point:

"These figures exclude the effect of government intervention in the banking industry."

That completely destroys the hon. Lady's main focus and the point that she tried to make.

However, the issue is not just about the irresponsible and unsustainable Government expenditure that took place prior to the general election. I do not want to describe myself as a particularly visionary or prescient individual, but I point out to the House a question at Prime Minister's Question Time that I asked the then Prime Minister, Tony Blair, on 25 May 2005. I shall not read it out, because it would be tedious for the House to hear it again, but I asked him what he would do to rein in the dramatically deteriorating fiscal deficit. Inevitably, as ever with Tony Blair, one did not receive a particularly comprehensive or detailed reply, but Treasury Benchers are absolutely right to focus on reining in the growing fiscal deficit.

It is quite clear, from the previous statement by the Secretary of State for Work and Pensions, my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), that the welfare budget was completely out of control, and from the initial findings of Sir Philip Green's review of Government expenditure, that many procurement procedures are completely out of control. There was sloppy governance, and that needs to be addressed.

People may ask, "Why is it important if the Government don't get a grip on spending." If there is no such grip, there will be no or slower growth; if there is no growth, there will be no sustained recovery; and if there is no sustained recovery, there will be no wealth or job creation. It is no coincidence that since June's emergency Budget, the credit rating of the UK's risk has dissipated and yields on Government gilts and bonds have fallen significantly. It means that some confidence is returning to the markets—specifically because of the Government's and Chancellor's announcements back in June. They announced, first, some fiscal consolidation and, then, a promise of some control over public expenditure.

The dangers of not doing anything are considerable: sovereign debt credit downgrades; interests rate rises; additional debt interest that should be spent on investment in reformed public services; and the potential explosion of Government bond yields, as we have seen elsewhere in Europe. We need to challenge the myth, which we heard from the Opposition Front Benchers today, that fiscal consolidation and public expenditure contraction automatically lead to economic slowdown; they do not necessarily.

I hope and think that we will have, in the technical jargon, an expansionary fiscal consolidation. There are two facets to that. First, if we control public expenditure, we get greater consumer confidence as people revise down future tax burdens, something that the coalition in time need to deliver. That will encourage further consumer expenditure, and I very much hope that such control will be permanent, not temporary.

Alison McGovern: How will that increased confidence play out in different regions where—for the right reasons, because work is cheaper in such areas—public sector jobs are now focused? How does public confidence work in an area where a high number of public sector workers face redundancy?

Mark Simmonds: The hon. Lady makes a fair point, and I should say two or three things. First, the national insurance changes that the coalition Government have made will make it better and easier for employers to take on new employees in the private sector. Secondly, the Treasury is working on the regional fund to address the difficulties that are faced in some regions, which, I would argue, are over-dependent on public sector jobs, so that people can move into the private sector quicker than would otherwise be the case.

The second element of the expansionary fiscal contraction is to encourage business to invest, and I do not agree with the fundamental argument of the shadow Treasury spokesperson. There is a direct inverse correlation between Government borrowing and business investment, which means that when Government borrowing declines business investment goes up, and vice versa. That would be especially true if it were supported by expansionary monetary policy, which it is and, I hope, will be for the foreseeable future.

Opposition Members may say, "That all sounds very well theoretically, but has it ever happened in practice?" The simple answer is, yes. It has happened twice in recent times—not only in the early 1980s, when the then Chancellor of the Exchequer, Geoffrey Howe, reduced public expenditure and interest rates and, therefore, stimulated economic growth, but—

Kelvin Hopkins: Will the hon. Gentleman give way?

Mark Simmonds: In a minute, because the hon. Gentleman might be keen to comment on this point. The correlation also occurred under the previous Labour Government, between 1997 and 1999, when they stuck to the preceding Conservative Government's expenditure plans. That is when GDP growth under the previous Administration was at its highest, averaging roughly 3.5% per year—significantly higher than during the rest of their tenure. So, the correlation has occurred before, and I see no reason why it should not occur again.

Kelvin Hopkins: I hesitate to say this, but I was around in 1979, and I remember it very well. The Government at that time massively increased VAT and increased interest rates. The pound rose, and neo-classical economists, like the hon. Gentleman no doubt, said that unemployment would fall to below 1 million. It actually rose to more than 3 million, and one fifth of manufacturing disappeared. It was only when the Government later reversed those policies that the economy started to expand, but sterling depreciated by 30%, during Nigel Lawson's tenure, when the economy started to grow again.

Mark Simmonds: I am grateful for that intervention. The hon. Gentleman will not be surprised to hear that I do not share his analysis. In fact, the parallels are interesting. I would argue that in the early 1980s Geoffrey Howe and Margaret Thatcher were clearing up the mess that they inherited from the previous Labour Administration, just as the Chancellor of the Exchequer

[Mark Simmonds]

and Liberal Democrat colleagues in the coalition are tidying up the mess that we inherited from the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) and Tony Blair, his predecessor.

Stewart Hosie: The hon. Gentleman is giving an interesting analysis, which I do not share at all. He spoke about monetary loosening and monetary expansion. We have had a zero bound in interest rates and 99% of the £200 billion of quantitative easing has gone to buy Government debt—it has gone right through the tube, without hitting the sides of the real economy. Where does he think the monetary easing and expansion will come from to give the cash needed by businesses that want to invest? It is not coming from QE.

Mark Simmonds: The hon. Gentleman is right, in a way. I hope that interest rates will remain low for a considerable time to give businesses confidence to borrow money, when they need to, to invest; we could be having a whole argument about the banking sector and structure as well. When interest rates start to tick up again, I hope that the quantitative easing position will start to unwind and the Bank of England will start to sell some of the QE back into the market, which will then create confidence. Personally, I am very nervous about future quantitative easing; we have probably done just about enough. If interest rates stay low as a loose monetary policy, I am reasonably confident that we will have steady growth, for reasons that I have just explained.

From where will the potential dangers come? I do not think that we are assured a return to good times expeditiously. There are risks and problems, particularly in the global economic context—especially given the need to balance the UK economy away from consumer expenditure and the financial sector. I am afraid that recent news from around the world has not necessarily been encouraging. US economic growth is slowing, Chinese manufacturing is cooling and problems in Japan may spread to other Asian economies. Furthermore, there is the dangerous US-China currency stand-off, which could lead to protectionist policies. I very much hope that those will not be put in place.

If we are to have a strong export-led-growth UK model, we will require a strong eurozone. Although the eurozone grew strongly in the second quarter of this year, it remains highly dependent on German growth. We will have to monitor extremely carefully the impact that fiscal tightening has in the eurozone and its particular relevance to UK exports, although I very much hope that that will be assisted by a weakening and a sterling depreciation. Given what they inherited, the Government's macro-economic policy is absolutely right.

I want to focus on a particular aspect of the Finance Bill. It relates to the aside, made by the Exchequer Secretary in his opening remarks, about real estate investment trusts, which are covered by clause 10 and schedule 4 of the Bill. I support the changes that are set out, but I have a couple of specific questions, which the Minister could answer in her winding-up speech or about which she could write to me, with a copy of the letter being put into the House of Commons Library.

At the moment, dividends through real estate investment trusts, which are tax-friendly vehicles for the ownership of property, particularly commercial property, have to be paid in cash. The Bill will allow them to be paid in stock as well. What will the tax status of those dividends paid in stock be? Will income tax or capital gains tax apply? Clearly, capital gains is paid only when a gain is realised or made. What would happen if the stock deteriorated rather than increased in value? In the Bill there seems to be some provision for a market value. I am not sure how that will work in practice and over what time scale that market value will be assessed.

Real estate investment trusts, which the previous Government brought in, are an excellent vehicle for the ownership of commercial real estate in particular. The HMRC REIT unit has a very good reputation and is extremely helpful to those involved in the industry. However, there are issues that should be in the Bill but are not. The Treasury needs to consider them to improve real estate investment trusts.

The trusts should be the worldwide answer to property investment, in which all our pension funds invest. They are very significant to the future well-being of most of the UK's population. We need to make the reforms to strengthen further the position of the UK as a place for these important capital markets. The current tax structure of REITs should have put an end to the offshore floating of companies and funds, but that has not happened. It is very complex to bring back onshore a fund that is already listed elsewhere. The Treasury needs to consider ways of simplifying the procedure, therefore reducing the costs and making such a move more efficient and effective.

The Treasury also needs to look at the transition period, which is currently 12 months. It needs to be three years. Some 75% of the money raised inside a real estate investment trust has to be spent within 12 months, and that needs to be looked at and extended. At the moment, to avoid losing their status, investment trusts are having to invest in incorrect assets that are not necessarily going to produce the returns that the people involved believe they should be getting for themselves or their shareholders, whether individuals or pension funds. That issue needs to be looked at carefully.

I am also extremely nervous about the income cover rule. I will not bother boring the House with that at the moment, although officials will know what I am talking about. Currently, it is 10%, but I would argue that it needs to be the same as the takeover percentage, which is about 29.9%.

I want to make one final point about real estate investment trusts. Currently, they can be listed only on recognised exchanges. That does not include the alternative investment market, or the AIM. Many smaller REITs want to float on the AIM so that they can generate income and funds and grow their business. At the moment, they have to be listed both on the AIM and an exchange offshore. That adds costs and bureaucracy and it is utterly unnecessary. I should like the Treasury to make dual listing a thing of the past and make it much easier for entrepreneurial REITs and new REITs.

Paul Uppal (Wolverhampton South West) (Con): I share my hon. Friend's interest in real estate investment trusts. Commercial property is a success story. UK commercial property is one of the most coveted assets globally and brings in a great deal of revenue to the Exchequer. I echo my hon. Friend's eloquently put

sentiments. If we look at the restrictions on the creation of real estate investment trusts, there could be a win-win situation for the UK. We should particularly look at a policy of incorporating that for private property companies as well.

Mark Simmonds: I am grateful for the intervention of my hon. Friend, who is absolutely right. If he has an interest in these matters, he will also be aware that one of the outstanding main problems of UK commercial and investment banks is their level of debt against commercial property, which has fallen in value since the heights of the market back in 2006-07. The banks are finding it difficult to unravel some of those positions. The real estate investment trust structure may enable them to find a way through some of those problems.

Stewart Hosie: I very much welcome what the hon. Gentleman is saying about REITs. Some of his Front-Bench colleagues will remember that the same pleas were made to the then Labour Government when REITs were first introduced. All power to the hon. Gentleman's elbow in persuading his Front Benchers to do what he suggests. Would there not be an advantage in getting small private companies, or even groups of housing associations, to benefit from REITs in respect of social for-profit housing as well?

Mark Simmonds: I agree with the hon. Gentleman. That is not a new idea. Many years ago I was chairman of the housing committee on Wandsworth borough council. He may be surprised to hear that at that time—back in 1993-94—I proposed to the then Treasury Minister exactly what he has just suggested about housing associations. It was about creating the ability for them to raise capital, reinvest in the stock and so on. He is absolutely on the right lines. I hope that one day he and I can work together on trying to develop our thoughts on this matter.

The Government's macro-economic policy is absolutely right. We must control public expenditure, and that control must be permanent, not temporary in order just to get us through this crisis. Then we must ensure that UK taxpayers' money is being spent to the maximum benefit of those who are using public services. I support the Bill.

6.10 pm

John Mann (Bassetlaw) (Lab): I know that the Leader of the Opposition is otherwise detained with an important speech at the moment, but I am sure that the newly appointed shadow Minister, my hon. Friend the Member for Nottingham East (Chris Leslie)—I congratulate him on his appointment—will want to convey the sentiment and details of the advice that I will outline in the next few minutes, not only to the rest of the shadow Treasury team but to the new leader.

I want to start by congratulating the hon. Member for Boston and Skegness (Mark Simmonds). It must be irritating—it seems so even from the Opposition Benches—for him to be sitting on the Back Benches with a Liberal having nicked his job, but such are the dilemmas of coalition. He is a great expert on real estate. I congratulate him on his speech, although it showed that he was not too well schooled in economics even though he went to school in my constituency. I may need to have a word with his former head teacher about the economics curriculum at that school, because the hon. Gentleman's analysis of borrowing, like the document that he has read, shows a fatal flaw in economic logic and understanding.

The primary reason for the deficit—and more so in the current year than our competitors—is our over-reliance on the economic activity of, and consequently our tax take from, the financial institutions of the City of London. Over-reliance on the City, leading to the drying up of that tax take as its economic activity dived, was the classic error made by the previous Government and the two Governments before them—by Prime Ministers ever since the big bang. All failed to see that an economy that is unduly weighted towards its financial institutions and the City will succumb at any time in a financial downturn. That is precisely what has happened in the United Kingdom. However, underlying that, our actual debt, built recurrently, is not only no worse but better than that of most of our competitors, not least because of the former Chancellor's pay-back and buy-back of debt between 1998 and 2000.

Of course, a Government must get on top of the current year's situation, because if that features a recurrent build-up of debt, the situation over a period of years will deteriorate. In the league table of debt, we do not sit at the top, as the Chancellor and others on the Government Front Bench try to suggest. We sit in the middle—below France, alongside Germany and below Italy, and well below Japan and the United States of America. That is critically important, because they are servicing those debts recurrently as well as having a build-up.

The question that those on both Front Benches shy away from is what I call the China syndrome. That is the big issue of the imbalances in the world economy that no one is daring to address, and it has been accentuated by the financial crisis. It is rather ironic that capitalist economies are managing to ignore a state-controlled, Communist party run, non-democratic, non-central bank democratic, non-financial institution democratic state that owns more of the world's dollar debt than anybody else, on the basis of which we are all buying huge amounts of goods with an artificially rigged currency against the rest of the world. That is at the heart of the ongoing problems and the potential for double-dip recession, which, if Government policy in this country is poor, will affect us more adversely than our competitors, but will happen on a worldwide basis. The China syndrome lies behind that; when the Nobel peace prize, or another Nobel prize, is awarded to a Chinese dissident, the Government do not even have the courage to stand alongside others such as President Obama in congratulating those dissidents. How the world of politics has gone in a circle when the Tory party is kowtowing to the Chinese Communist party, hoping that that will somehow assist our economic growth.

Protectionism has been mentioned. Anyone who analyses the economics of the 1930s will understand one particular factor that makes the current situation different: all the growth in the '30s was protectionist growth. The United States has understood that in the longer term. Its growth was built on military expansion, rearmament and road building and, as much as possible, on the non-importation of labour and materials. It therefore allowed regeneration and created jobs.

Mr John Redwood (Wokingham) (Con): Could the hon. Gentleman explain how the British Government could make the Chinese revalue their currency?

John Mann: Of course the British Government, cowardly as they are in their relations with China, cannot do so alone—it has to be done on an international level among all the capitalist economies of the world.

If that issue is not dealt with, the danger of a second recession will loom—for whoever is in power in whatever country, to be fair. We are shying away from that. It is not tenable to develop economies where everyone proceeds on the basis that we will continue to export to China as many aggregates and other raw materials as we can, to import the cheapest possible—virtually slave-labour—products, and hope that we will regenerate our economy based on the sale of those products. My own local economy benefits more than most from that in distribution networks, but I can see that it is not a sustainable model in the longer term. The China syndrome has to be dealt with in the near future, because if China fails to rebalance its currency there will be a second, much greater world recession.

Instead of that, we have this piffling little Bill with virtually nothing in it, not even the break-up of the big banks promised by the Liberals—the only Liberal economic policy that seemed to get adopted by the Conservatives, and an absurd irrelevance in the context of where we are. How the banks are run and regulated is absolutely vital to all of us, but who cares how they are structured? At the start of the crisis, Lehman Brothers, an investment bank, and Northern Rock, a building society, both collapsed. Such infantile politics is not surprising coming from the Liberal former so-called shadow shadow Chancellor, from Twickenham in south London, who is now in an important position in government, but it is quite extraordinary coming from the Conservative party. It is an incoherent economic policy based purely on political expediency. I note that it is not in the Bill, and it will never be put forward. It is just pure politicking to try to hide away from the fact that this is a Government whose economic policy is based on hope.

I want to make a few points about what the Opposition's policy should be on the Bill and the economy. It is not consistent to argue that there should be no tax increases or spending cuts. That is economic illiteracy, which needs to be broken. In the current economic crisis, I have no problem with taxation going up as part of rebalancing the public finances. Therefore, if the Government propose increasing the higher rate of taxation, I am relaxed about that being necessary. Similarly, I am relaxed about VAT going up. The alternative would be to raise income tax. If the Opposition support that, they should state that view. I would disagree with it; for all its flaws and regressive nature, it is more sensible to increase VAT. I believe that £8 billion is the agreed figure that derives from the VAT increase. I will not argue against such an increase, which would thereby suggest a further £8 billion-worth of public sector cuts and job losses in my constituency, leading to a further recession based on the multiplier effect of those job losses. That would be a wishy-washy cop-out.

The Opposition need to strengthen their economic policies. They need more courage in working through what is happening—it is lazy to do otherwise. It is nonsense to suggest that there are other ways of increasing the tax take, based on projected economic growth—the current position—instead of the VAT increase. Again, that is economic illiteracy. Of course we want economic growth—so do the Government and so does every party in the House—but that is not an economic policy; it is a hope. Labour Members know that the incoherent coalition has a weak policy—the Bill lacks proper ideas and procedures for dealing with what the private sector needs. We will not, therefore, experience such growth and we, as an Opposition, cannot predicate economic policy on growth that the Government will not achieve. That is nonsense. Some serious thought and discussion should take place about the taxes that should increase and the cuts that should be made.

I ran a private sector business—that makes me rather unusual in Parliament. I set one up from my garage, so I know about the decisions that people who have no inherited wealth or banks lending to them make about how to invest. I had a capital-intensive business with my family. I know how interest rates work, and what that means for making decisions. I know about capital investment policies and how to squeeze a bit of extra capital out of them, and about decisions on the best timing. We were successful, and, like hundreds of thousands of other small businesses across the country, we made a profit—there is nothing wrong with that. We contributed an appropriate bit of tax—every business thinks that it is too much—to the Exchequer. However, we were not operating in a vacuum. Who will buy the products and services if people have been thrown out of work? Again, that underlines the coalition Government's economic illiteracy. They have a vain hope that the private sector will turn up, but it will not, based on rational decision making. That is why the Deloitte survey, which was published today, should be so concerning to the Government and to us all.

We all like to criticise the Government—I love to criticise a Tory Government—but I do not want my constituents to suffer from recession and job losses because you lot have got it wrong. My people will be hurt first and my economy will be hit hardest. That has happened before and it will happen this time, so I want to help the Government by making some suggestions. I hope that they are making notes. The private sector cannot fill the void because of the pace of the cuts. That is the big error that needs to be put right. The speed at which the cuts are made and how they are made are crucial matters.

There is another fundamental error, on which I want to elaborate because it is a critical point. I know, Mr Deputy Speaker, that it is important to the people of Chorley. The Government's cuts will have a disproportionate impact on the traditional English towns. The Government have the same civil servants, with the same civil service mentality, who failed to crack the problem previously. They are therefore making the cuts in the same way as other Governments made them. The civil servants think, "Ah—centralise." The Secretary of State for Justice decides to cut magistrates courts. Which ones does he cut? He cuts those in the small English towns more than anywhere else. In Worksop, that means 16 jobs, and a couple more than that in Retford. Those are small numbers, but the jobs are relatively well paid. Those people buy sandwiches, go to jewellers and other small traders in the town centres.

I am newly elected to represent the town of Retford, due to boundary changes. It was previously Tory for a few years, but it is Labour now. The magistrates court in Retford is going. The police face a 13% cut. Which

police stations might go? One of the early candidates for closure is Retford. The fire service in Nottinghamshire faces a 30% cut. Which fire stations will go? Retford is rather old and needs capital investment. Merging it with somewhere else is already being considered. What about social services? Nottinghamshire county council—one of the worst run local authorities in the country—is shifting social services, and Bassetlaw district council is also shifting its workers. Her Majesty's Revenue and Customs is cutting the tax office. All those cuts could be rationalised individually, but add them all up. Who else works in town centres? The butcher, the baker—the candlestick maker has gone—the sandwich maker and the small pub are there, and the public sector workers provide the key income in the small towns.

Mrs Main: I am really enjoying the hon. Gentleman's speech as he canters through all the things that he does not like. He promised that he would give us some encouragement about what should happen. When will he do that instead of listing all the things he thinks are dreadful and should not happen?

John Mann: It is very simple. You do not make the cuts so fast. You do not decimate small English towns such as Retford and Chorley—I am sure that the hon. Lady represents a small English town as well.

Mrs Main: It is a city.

John Mann: Well, the majority of the Tory heartlands—they may be former Tory heartlands in future—will get the cuts. It is fundamentally wrong that small English towns should bear the brunt of the cuts. If 50 jobs are lost in a big city, it is bad for those people, but it does not affect all the businesses. If 50 jobs in Retford, Skegness or Boston, or 100 jobs in Worksop are lost, there is a major crisis in those town centres. What do you think the very people whom you are rightly trying to get off incapacity benefit, perhaps to start small businesses in Worksop or Retford, will start doing—major, advanced science and technology? No, they will think, "I could run a sandwich shop." Good luck to them—it is entrepreneurship, and it would be brilliant, but not if there is no one to buy the sandwiches. Who owns the small businesses and the market stalls? Those people will lose their jobs because they are on the cusp and the banks are not lending them money; they are lending even less than they were previously. Those people and the taxi drivers and the small builders come to my surgery—they suffer the knock-on effects. That is why you have got it wrong and why you should think again and slow down the cuts—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I am not responsible for Bassetlaw. Every time the hon. Gentleman says "you", he means me. He should know better—he has been a Member of Parliament for a long time.

John Mann: I am very grateful that you are not responsible for Bassetlaw, Mr Deputy Speaker. The truth is that this evil Government will have an impact on the constituency of Chorley in the same way as they will on Bassetlaw.

My final point is that the successes of the previous Government have led to new jobs in Worksop. Laing O'Rourke provided 350 jobs earlier this year, and I opened a new site for MBA Polymers last week, which will provide 120 jobs. Both companies came to my area because of the regional development agency grant. In the case of MBA, the grant was the reason to come to this country, never mind to my area. The considerable RDA grant was critical to their decisions. In the case of Laing O'Rourke, the land reclamation works were also important, and other sites are going to market. That is the role of the state, and the weakness of this Government's economic policy is that the new systems replacing the RDAs—I understand the logic behind that and I agree that the bureaucracy could have been cut back—will not replace that role. Therefore, we will not see the competitive advantage that areas such as mine have had from coherent incentives to private business and bigger employers. We need small employers, yes, but we need large ones too. That is where this Government have got things fundamentally wrong.

My plea to my colleagues on the Front Bench is to tighten up on our economic policy. Let us make the real choices, because we are too woolly at the moment. I hope that the Government are listening to me and taking notes, because small-town England will not forgive a Government who decimate it. Just this week, the council in Nottinghamshire has announced that the lights will be turned out overnight, and that will be the legacy of this Government. It is not too late to change, and as a start I suggest that they withdraw this piffling little Bill and put a proper one in its place.

6.32 pm

Stephen Williams (Bristol West) (LD): That was a fascinating exposition of small town, small business socialism, a political philosophy that I have never come across before. I am not sure how much of it will have been welcome to Labour Front Benchers.

I intend to follow the example of the Exchequer Secretary who opened the debate—rather than that of the shadow Chief Secretary—and speak briefly on this brief technical Bill. It is much briefer than many of the other Finance Bills I have seen in my five years as an MP. When I was new to this place, the Liberal Democrat Whips Office inflicted cruel and unusual punishment on me by putting me on the Finance Bill Standing Committee as training in how to operate as an MP. It seems that it is my luck to serve in that way again five years later. To new MPs who may be similarly blessed by the Government Whips Office this time, I can say that it is exceptionally good training. If they can survive the Finance Bill, they will be well prepared for any other legislation in Committee.

This is a small and technical Bill, much of which is familiar ground to me from my professional career before I became an MP. I dealt with capital allowances, venture capital trusts, enterprise management incentive schemes and group relief. I am not so familiar with the taxation of the earnings of seafarers or the workings of petroleum revenue tax, and perhaps the Economic Secretary will give us all a tutorial on those in the exciting Committee stage of the Bill to which some of us may look forward.

As the chairman of the all-party parliamentary group on smoking and public health, I welcome clause 23, which refers to long cigarettes. The hon. Member for Luton North (Kelvin Hopkins), who is no longer in his

[Stephen Williams]

place, mentioned that it would be wise for the Government to invest in more measures to combat the smuggling of cigarettes and the avoidance of duty by some by cutting long cigarettes into two.

The Bill has to be seen against the background of the deepest deficits among developed countries. Contrary to what the hon. Member for Bassetlaw (John Mann) said – I tried to intervene on him at the time—it is a fact that the deficit that this coalition Government have to tackle is the largest among the larger economies in the world. It is larger than that of the US and Japan, as well as those of the so-called PIGS countries, including Spain and Greece—*[Interruption.]* Yes, it is larger as a proportion of our economy. Our budget deficit is more than 10% of our GDP and is higher than those of all the countries that I have cited. That is the serious issue with which the coalition Government have to get to grips. We have made some tough choices on taxation, which were the subject of detailed debates after the Budget, and we have some tough decisions to make on expenditure next week. The Government are making those tough decisions, and we are not avoiding the adverse consequences and political hostility that may come our way. We are being responsible, and not avoiding the issue as Labour Front Benchers are doing. They are denying their responsibility for the mess we are in and even scrabbling about to bring in what must have seemed very clever quotes from Wikipedia on the Boer war and Lord Kitchener earlier this afternoon. We are taking the deficit seriously and we are putting in place the measures that are needed to tackle it.

Bill Esterson (Sefton Central) (Lab): Is it responsible to follow the policies adopted in the Republic of Ireland, which have seen the deficit grow, not fall? Those policies are similar to those advocated by this Government.

Stephen Williams: All countries, whether in the EU or elsewhere, are having to put forward measures that are appropriate to their domestic circumstances. The circumstances of a small country of about 3 million people such as Ireland are completely different, and we will have to evolve our own response. My point is that we are in a desperate situation, as bequeathed to us by the previous Labour Government. We are taking that challenge seriously and not shirking the difficult decisions that will have to be made to put our economy and public finances back on track so that we can make the sensible investments in public services that we all wish to achieve.

6.38 pm

Nic Dakin (Scunthorpe) (Lab): This is primarily a technical Bill and I support much of the detail in it. For example, the measures to close tax loopholes are welcome. I am sure that we are all united on the need to close such loopholes and recognise that successive Governments will need to be ever vigilant in that respect. But as the spending review approaches we need to be very careful to ensure that Revenue and Customs has the appropriate capacity and resources to tackle tax evasion and avoidance effectively. Assurances from the Economic Secretary on that point would be very welcome, as my hon. Friend the Member for Wallasey (Ms Eagle) said earlier.

There is much in the Bill to applaud. Unfortunately, there is also much to regret. It represents a missed opportunity to put in place a plan for growth. This is not surprising, as the Government see deficit reduction as the beginning, middle and end of their economic strategy—a symphony of despair, orchestrated by a coalition agreement and targeted at the lowest common denominator.

It is worth reminding ourselves of what the great British public voted for in May. They had two alternative economic strategies presented to them during the election. That promulgated by the Conservatives said that there was a need to cut hard and cut fast. The alternative argument was put forward by Labour and the Liberal Democrats—that the deficit reduction should be more carefully managed, as my hon. Friend the Member for Bassetlaw (John Mann) has suggested. A more gradual reduction would allow growth and tax increases to play their part. In that strategy, the reduction in spending would be managed in a way that allowed growth to pick up the economic slack. Doing so would avoid the spectre of a double-dip recession, with all the personal distress and misery that it would bring to people up and down the land. The British people delivered an inconclusive result at the last election, but one thing was clear: they did not support the Tory argument for fast and furious cuts. They backed Labour and the Lib Dems' more considered approach.

Alec Shelbrooke: I am listening carefully to the hon. Gentleman, but I find it hard to understand how he can say that the Conservative party's policies were rejected at the general election, when the party had its biggest result since 1931.

Nic Dakin: I think that there was a large feeling at the Conservative party conference last week that the Conservatives should have done better in the general election, given that they faced a Labour Government who were clearly struggling in the face of many challenges. I am interested in the hon. Gentleman's spin on the outcome of the last election, but the reality is that nobody won it. What has happened since is that the Government parties have shown skill in developing a narrative that runs along the lines of what the hon. Member for Boston and Skegness (Mark Simmonds) outlined—it was also added to by the hon. Member for Bristol West (Stephen Williams)—which is essentially that everything comes down to Labour spending profligately and a massive deficit that needs to be tackled fast and furiously. That is the narrative, but it is not the truth. The truth is far closer to what we heard from my hon. Friend the Member for Bassetlaw, who demonstrated that what has really happened is that our deficit lies alongside that of Germany. The problem is serious, but it does not require us to go as far as is being suggested.

Alison McGovern: Does my hon. Friend agree that it is not merely we on the Labour Benches who disagree with the fake narrative that the Conservatives and Liberal Democrats are putting forward, but the recent report by the International Monetary Fund and the International Labour Organisation? Those bodies have tried to persuade countries such as ours not to disinvest from the economy, because they are worried about jobs and employment.

Nic Dakin: I thank my hon. Friend for that intervention. She is completely right to suggest that world public opinion is moving in the direction of expressing concern about global cuts in spending and their impact on the world economy. She is completely right to draw attention to that.

Alec Shelbrooke *rose—*

Nic Dakin: I have already given way.

In the summer, the Chancellor was keen to hold up Ireland as an example of a country with an approach to the economic challenges that we face that should be applauded. There is less talk of Ireland now, as that economy spins into double-dip recession and loses its triple A rating, as we heard earlier. The Irish Government's debt has increased rather than decreased, as a result of over-aggressive cuts in public expenditure, and the economy is now in serious peril. The last time we had a peacetime coalition, the then Governor of the Bank of England's advice—to take an aggressive approach to reducing spending—was followed, precipitating the great depression of the 1930s. I am afraid that Governors of the Bank of England, like politicians, are only mortal and do not always get it right.

There is something very pessimistic about the Government's approach. Where once they were optimistic, now they see only negatives, hence the biggest rise in VAT—the most unfair and regressive of all taxes—in a generation, despite cast-iron promises from the leaders of both parties in the coalition during the election that this would not happen. Representing Scunthorpe, I know a bit about cast iron: it should last a bit longer than a few months. There has been further pessimism, with the attacks on universal benefits signalled by last week's breaking of another promise—the promise not to cut child benefit.

Stephen Williams: If the hon. Gentleman is seriously suggesting that taking away child benefit from families in the higher-rate income tax bracket is a cut that should not be proceeded with, will he say what cuts he thinks should be proceeded with?

Nic Dakin: The ending of universal child benefit is a cut against children and families, and I do not think it is the right thing to do. It would seem that children and families are to pay the price of the global economic crisis caused by the failure of financial businesses and markets around the world. That hardly seems fair to me. To answer the hon. Gentleman's question, I would rather leave child benefit in place and not give £6.4 billion back to businesses, through changes in their taxes, much of which will go back to the banks that got us into this mess in the first place.

This Bill represents a real opportunity to put in place the infrastructure spending that is a crucial prerequisite for economic growth. Sadly, it appears to be a missed opportunity. We have seen excellent planned investment, such as Building Schools for the Future, the playbuilder programme and so on, scrapped. Ministers then appear surprised when construction companies have to lay people off.

Stewart Hosie: I am listening intently to the hon. Gentleman's speech, but just in case my memory is skewed, can he confirm that Labour's plans were to halve capital expenditure as well, and that many of the cuts in capital investment that he is bemoaning are precisely the same as those that would have happened under his Government?

Nic Dakin: My hon. Friend the Member for Nottingham East (Chris Leslie) will no doubt pick up that point later from the Front Bench, as he is more knowledgeable about the overall position than I am.

There is a relationship between the private sector and the public sector. Properly managed, they support each other. As my hon. Friend the Member for Bassetlaw pointed out so skilfully, if we take all the spending out of the economy, there will be nothing to buy, and therefore the businesses that sell things will go into a spiral of decline. That is the difficulty that we are on the cusp of at the moment.

Neil Carmichael (Stroud) (Con) *rose—*

Nic Dakin: I have given away enough.

If the Attlee Government had taken the view that the only solution for dealing with the debt was to cut public spending further, there would have been no NHS, no major house building and no platform for a modern Britain. That Government faced far greater debt problems than we do, and they did the right thing: they built an optimistic future. It is our responsibility now, faced with the challenges before us, not to make things worse, but to make things better. That is why I oppose the measures to cut investment allowances and cancel support for the industries of the future, such as advanced manufacturing, including wind turbine manufacturing, why I oppose the reneging on the loan to Sheffield Forgemasters—a loan that would help to position the UK to play a key role in the civil nuclear energy of the future—and why I oppose the planned increase in VAT, which will serve to dampen demand when the private sector needs a demand stimulus.

6.48 pm

Mr Brian Binley (Northampton South) (Con): I cannot let this opportunity pass without saying how good it is to follow the hon. Member for Bassetlaw (John Mann). He always speaks honestly, from his own, rather unique perspective, and he enlivened the first match of the season—to my mind anyway. However, he is the only man I know who can play for both sides in the same match, and I enjoyed his contribution.

The Minister talked about the need to support businesses large and small. You will know that I share that view, Mr Deputy Speaker, because therein lies the nub of whether the Budget strategy will succeed or fail. A flourishing business sector is vital to a sustained economic recovery, and small and medium-sized enterprises are a major element in the growth agenda. They are responsible for slightly more than 50% of the private sector work force, and they are the sector that will provide the jobs and wealth to make the Budget strategy work, given the opportunity. Sadly, however, the economic downturn hit the sector especially hard. SMEs were in the process of growing 2 million jobs over a 10-year period, when at the same time UK plc was shedding 1.5 million. If ever there was a trend to prove that SMEs are capable of creating growth, those figures ought to bring us comfort. The downturn exposed their vulnerability, however.

[Mr Brian Binley]

Everyone knows that we need to mend the roof while the sun is shining, and to stock up the larder during the good times—everyone, that is, except the members of the previous Labour Government. They told the regulators to apply a soft touch, and they failed to keep an eye on the big picture. As a result, banks were over-leveraged, bad debts mounted, asset lending ratios got out of kilter and banking institutions became unstable, resulting in a global recession. Many small business men saw it coming, and many of them took action. My company was one of those that acted at the appropriate time. Sadly, however, our recently deposed Prime Minister failed to do so. How could he, when he so arrogantly believed that he had done away with bust? No statement made in recent years will come back to haunt a man as much as that one will continue to do.

Sadly, the regulators are now overcompensating for their negligence by making heavy demands, especially on the very sector in which growth is most likely to occur—the SME sector—and things will get worse unless we do something about it. The Basel Committee on Banking Supervision has recommended that banks increase their capital reserves even further. Banks are being asked to increase their common equity as a percentage of core capital. However, just as the pendulum swung too far in the good times, so it is swinging too far in the opposite direction now, and that is having an adverse effect on lending to small businesses. Banks have already taken major steps to increase capital reserves, and there is every chance that the Basel proposals will be approved in December. That would take more money out of the economy and lock it up in bank vaults just at the time when business needs more working capital to finance growth.

Alison McGovern: What would the hon. Gentleman say to the representatives of small businesses in Wirral, to whom I speak regularly, who are concerned that they will no longer be able to benefit from investment allowances or benefit to the same extent as big businesses from the Government's recent cuts in corporation tax?

Mr Binley: As the founder of two small businesses, I can tell the hon. Lady that investment benefits are not the major concern. The major concern is the ability to get money from the banks to act as working capital. I can see that the incentives those benefits provide are helpful, but they are not the core problem that small businesses are facing at the moment. The truth is that the Government will have to review a number of areas of policy in order to deal with the core problem.

I was saying that the banks were building up their capital assets to a dangerous degree. J. P. Morgan has recently announced new rules that will increase its risk-weighted asset base by 25%. Research also suggests that Barclays will achieve an even greater increase, of some 44%. Of course banks must be soundly based and properly regulated, but we have to get the balance right. All the evidence suggests that the capital reserve build-up has a sizeable detrimental effect on the ability of SMEs to capitalise on growth opportunities. As I said earlier, that will threaten the Budget strategy, unless the Government deal with the problem, and I hope that the Economic Secretary will come back to me on this matter.

Research by the Federation of Small Businesses suggests that 24% of SMEs are already having difficulty coming to terms with current increases in the cost of money, and the new capital requirements will compound that situation. This could not come at a worse time. More businesses are in danger of going to the wall through overtrading during the upturn than folded during the downturn.

Bill Esterson: I welcome the hon. Gentleman's comments about the difficulty that small businesses are having in getting access to money from the banks. Does he agree that there will be a danger to small businesses if too many people in the public sector lose their jobs, because they are important customers of those businesses? The effect of that could represent just as great a danger as the problem he has outlined.

Mr Binley: I do not agree with the hon. Gentleman. The truth is that the previous Government were so profligate as to create problems for our children and grandchildren, and I find that immoral. I do not want that to happen to my children and grandchildren, and the only way to deal with financial difficulties in a business, a family or any other organisation is to cut spending and earn more money. There is no other answer, and the sooner the Opposition recognise that, the sooner the people of this country will listen to them a little more.

John Hemming (Birmingham, Yardley) (LD): The Opposition wonder why this Government are in hock to the markets. Does my hon. Friend agree that it is because we have borrowed too much, as Tony Blair admits in his memoirs?

Mr Binley: I am grateful for that intervention. The truth of the matter is that we have a budget deficit of £70 million, but there is more lying behind it that we are not dealing with until we get the deficit down. There is the £1,450 billion of national debt, and if we add to that the money owed on private finance initiative schemes, the money owed to public sector pensions and the money that we have used to underwrite the banks, we get a figure of £3,000 billion. I asked the Treasury what a billion looked like, and I was told what a billion seconds was. This story has been heard in the House before, but I was shocked to learn that 1 billion seconds equates to just over 32 years. That puts into perspective the size of the problem that this nation faces. Again I plead with Opposition Members to come to terms with the problem, because I genuinely do not believe that we can solve it unless they recognise where it started.

John Mann: I cannot resist asking the hon. Gentleman whether he is aware of any country in the world, other than Uzbekistan, that has no national debt.

Mr Binley: This is not about whether or not we have a national debt; it is about the size of the national debt and its relation to our credit rating—

John Mann *rose—*

Mr Binley: If the hon. Gentleman will allow me to finish, I will allow him to intervene again. Steady down.

This is about the size of the national debt and the deficit and their relationship to our triple A rating. If we had not taken the action that we did, it is likely that we would have lost that rating, which would have made all our interest costs considerably higher and the deficit massively bigger, causing the country even greater problems.

John Mann: Can the hon. Gentleman tell us where Britain stands on the league table of national debt, compared with other countries? Is it not true that we are towards the lower middle of the league table?

Mr Binley: I do not accept that point of view. This is not just about the size of the national debt; we need to consider its size in relation to the economy. Therein lies one of our problems. The fact is that ours is one of the worst situations in the G20. I should like to advise the hon. Gentleman that, as long as he and his party remain in denial, they will be unable to move forward, and that, for the good of politics, they need to move forward just a little.

Alec Shelbrooke: I should like to expand on my hon. Friend's point about the national debt. Is it not true that the size of personal debt in this country, which was encouraged with a quiet wink by the previous Government, has also held back our ability to recover from the recession?

Mr Binley: My hon. Friend's intervention takes us back to a Chancellor of the Exchequer—later Prime Minister—who suggested to the Financial Services Authority that it should apply a light touch. A light touch meant 125% mortgages, self-assessment of mortgage requests, and people with five, six and seven credit cards with their credit up to the hilt. My hon. Friend is absolutely right.

Let me return to the subject of the banks. I made the point that banks had to be soundly based, but that it was a question of the balance. As I said, research by the Federation of Small Businesses suggests that 24% of small and medium-sized enterprises are already experiencing difficulties in coming to terms with current increases in the cost of money, and the new capital requirements will compound the problem.

This could not have come at a worse time. More businesses are in danger of going to the wall through overtrading. I want to explain that a little more, because it is not readily understood in the House. Business growth costs businesses money: it is as simple as that. The more orders a business gets, the more employees it needs and the more raw materials it requires. Those are all up-front costs that simply cannot be recovered in the short term. Cash flow drag must be financed if growth is to be sustained, and growth will not be sustained if working capital is not forthcoming. That may be a simplistic view, but it is a very honest view of the reasons for which people are more likely to go to the wall during an upturn than during a downturn. They overtrade, and find that they do not have the capital to sustain that overtrading.

Owners of SMEs have spoken in their thousands of the collapse of their relationships with the banks. The number of complaints to the banking ombudsman about draconian demands placed on loans and overdrafts has increased by 119% in this year alone. So what should the Government do? First, they should recognise that the new capital requirements called for by global regulators should be balanced, and that their implementation should be sensibly programmed to ensure that real money is freed to support real growth in the SME sector. If that means getting tough with the banks and the regulators, so be it. Governments still have to get tough on occasions, and this is the area in which they need to start.

However, the Government need to go further. They need to provide greater choice and competition in the high street, particularly in the banking sector. They might even consider the creation of post banks, as suggested by the Federation of Small Businesses. That is not a quick answer, but it will help to sustain growth through the third, fourth and fifth years if the Government get down to it now. Both moves should increase available credit, and reverse the decline in local lending resources.

The Government could also encourage the mutual sector to play a greater role. I find it regrettable that Nationwide, the country's largest building society, has chosen to restrict its banking services to just 30,000 small businesses, a minute fraction of the total. It has also decided to close its business investor account to new customers and to limit the number of account transactions to just two a month, levying 30 days' notice of account closure for any customer who breaks that limit. Members may agree that that is a particularly unfortunate trend at a time when greater competition, wider options and a more flexible approach are needed. I hope that the Chancellor will talk to the mutuals collectively, because they have a role to play and can be more effective than they are being at present.

Recent reports suggest that Barclays, HSBC, Lloyds, HBOS and NatWest collectively handle 85% of the SME banking market. The Bank of England financial stability report suggests that banks are capable of consolidating their capital while at the same time improving their lending to the real economy, which suggests that there is an attitude among banks that needs to change. We have said that in the House week in week out, month in month out: when are the banks going to listen?

I appeal to the Chancellor to talk straight, talk tough and talk honest to the banks, many of which we now own. They have a responsibility, not only because we helped to bail them out, but because they were a major factor in getting us into trouble. The message should be sent loud and clear from the Chamber that they should face up to their responsibilities, and recognise that it really is time that they came to the aid of their nation.

Dr William McCrea (South Antrim) (DUP): Many present and past Ministers acknowledged that there was a great need for banks to listen to the small and medium-sized businesses in our country, many of which are struggling. Previous Ministers said that they would be strong with the banks, and would make them listen. How will the Government make banks really pay attention to what is happening in industry today?

Mr Binley: How I wish I knew the answer—but I am sure that one of the answers is to get the banks' heads together, and perhaps do a light amount of knocking.

I recognise that the banks run businesses, but let me draw attention to what the FSB has said, which I think is very relevant. It estimated that if banks limited bonuses and dividends to pre-crisis levels, they could produce

[Mr Binley]

approximately £10 billion of additional capital, which would finance £50 billion of new loans. Is that not a lesson for the banks? We are not saying, "Do not pay your people", but we are saying, "In a time of difficulty, use restraint. Transfer that money to your lending coffers, and get it out to small businesses."

Perhaps the Economic Secretary will be kind enough to pursue that challenge, remembering also that capital reserves in banks, if lent to Government, continue to be classified as such. I think that that is a pretty important point. If lent to Government, those reserves are not considered to be risk capital, and are consequently considered to be part of their capital assets.

I shall try to wind up my speech quickly, because I always try to do what the Whips tell me. However, I want to make a few more important points. I welcome the Government's efforts to increase the availability of the guaranteed loan scheme, but I ask the Economic Secretary to consider ways of unlocking capital reserves to increase the flow of capital available for distribution in that way.

The situation for many small and medium-sized businesses is dire. The Government know that, because we are told about it every day. Figures produced by the Bank of England give the impression that bank lending rose by 0.9% in August, but if we dig a little deeper, we find that a large proportion of those loans were issued in foreign currency, and that actual lending in pounds sterling decreased by £400 million. The truth of the matter is that bank lending this August was less than it was 12 months ago.

I wanted to talk about a couple of clauses in the Bill, but because my Whip has kindly asked me to curtail my remarks, I will do as he asks. I am an ambitious chap, and I hope that he will consider that I am being kind to him.

I welcome Clause 13, which removes the requirement for SMEs to own intellectual property in order to qualify for research and development grants. Sadly, too few small businesses are made aware of how research and development relief can benefit them—I think that the hon. Member for Wirral South (Alison McGovern) made that point earlier—and I urge the Minister to make more effort to increase awareness in the sector. I also welcome the announcement by a consortium of city financiers of their plan to create a British enterprise bank, which I understand will lend exclusively to the SME sector. That is one example of bankers facing up to their responsibilities, and we should congratulate them.

David Simpson (Upper Bann) (DUP): As the hon. Gentleman said, we understand that banks are running a business, but small businesses today are finding it very difficult to provide the security that banks currently seek. The hon. Gentleman used the word "draconian". Surely something must be done in that regard.

Mr Binley: Of course it must. Clauses and conditions for small businesses are now one of the major off-putting factors. Such businesses must be allowed to borrow to create the growth that we need. There is massive pressure to change overdraft to loan. Most small businesses do not want a loan. That is too much of a burden around their necks. They want an overdraft facility, but the trouble is that banks are pricing overdraft facilities out of their reach and that should be taken up, too.

May I conclude therefore—although my Whip has left? Good things are happening, but much more needs to be done if the level of growth required to assure the success of the Budget strategy is to be achieved. We are debating a Bill that facilitates that strategy, but does not do much to ensure that SMEs get the working capital that they need to provide the growth on which the strategy depends. Action is urgently needed and the House will expect to hear from the Economic Secretary what the good lady and the Chancellor will do to ensure that small and medium-sized businesses are properly resourced to play their part in restoring the country's wealth and in growing the jobs to reduce the budget deficit. Once we have balanced the budget, we can get on to dealing with the national debt, bequeathed by a Labour party that seems to think that it is morally acceptable to expect our children and grandchildren to pay for its profligacy. I find that reprehensible. I therefore look forward to being reassured in that respect, and so, I suspect, does the nation.

7.11 pm

Stewart Hosie (Dundee East) (SNP): It is a pleasure to follow the hon. Member for Northampton South (Mr Binley), and particularly to comment on his pleas on behalf of small business. In Scotland, we have 302,000 businesses, and 285,000 employ fewer than 50 people. They do not issue commercial paper or corporate bonds. They do not do rights issues. They are not listed on markets or exchanges in the main. Ninety-nine per cent. of them are owned in Scotland. They are almost exclusively solely dependent on the retail high street banks for their credit lines and working capital, so the more the Minister and her team can do to ensure that affordable lending goes up, and that we do not get the conversion of mortgages to loans, which puts the houses of small business directors on the line should a business fold, the better. Those businesses are hurting. Given that they provide the vast majority of employment in Scotland, we need to ensure that that powerhouse, the SME sector, drives forward with all the capital that it needs. However, that is not what I wanted to speak about today. It was, however, a fantastic opportunity to get it in again.

It would be normal on Second Reading of a Finance Bill to refer to the Budget which it follows, although this is the second Finance Bill following the emergency Budget debate on 22 June. It was the debate that followed that and the debate on the Finance Bill on 6 July that gave us the opportunity properly to debate the Government's whole approach to dealing with the economy, although listening to many of the earlier speeches, I am not sure whether I have gone back three months and we are having the first Second Reading debate. Those were the opportunities, along with the debate on VAT on 13 July, to point out that this Government plan an additional £40 billion of fiscal tightening—over and above the £57 billion of cuts and tax rises planned by Labour—to remind the House that the ratio of cuts to tax increases has gone from 2:1 to 4:1 and to remind it also of the damage that would cause. The debate on the VAT rise, which, as Shelter explained to us helpfully in advance, will lead to the poorest families in the country

paying £31 every week in VAT, was the opportunity to make the case against that rise.

This Finance (No. 2) Bill—the third in the calendar year—is different. It contains what the Minister described on 15 September as minor and technical measures, but that does not mean that we should not give it our full consideration, in particular those clauses and schedules which tax practitioners have raised real concerns about. I am grateful, as was the shadow Chief Secretary, to the Institute of Chartered Accountants for its response to the Government consultation. I will draw on that heavily and do something quite unusual in a Second Reading debate: refer in detail to clauses in the Bill. I hope we will get some technical answers when the Minister sums up.

The Institute of Chartered Accountants asks, in respect of part 3, clause 25 and schedule 9, paragraph 7, which inserts new paragraphs 2A and 2B into schedule 53 of the Finance Act 2009, whether, where a company has a profit in an earlier period and a loss or non-trading deficit on loan relationships in a later period that is carried back, interest on the earlier period profits will continue to accrue if in the absence of a claim late paid corporation tax would have been due, up to nine months after the end of the later period. I would welcome formal confirmation that that mirrors the existing rules. The institute adds that those rules perpetuate the existing differences between the interest rules where losses are carried back and offset against profits of an earlier period. Under existing rules, where losses are carried back against profits and where additional corporation tax would be due, interest will run from nine months after the end of the first accounting period. However, in cases where losses are carried back resulting in a repayment of corporation tax, repayment interest will only run from nine months after the end of the later period. I would have expected that, in a genuinely harmonised regime, late paid interest and interest on overpaid tax would ideally run from the same date. Therefore, will the Minister explain the Government's thinking on those proposals?

The institute also believes that paragraph 10, inserting new part A1 into schedule 54 of the Finance Act 2009 on repayment interest, would deliver the opposite provisions to what is proposed in new paragraphs 2A and 2B in schedule 9. Again, please confirm that the new rules mirror the existing rules. The same question applies to franked investments in paragraph 11 of schedule 9. Do the new rules mirror the existing provisions?

Paragraph 12 inserts new schedule 54A into the 2009 Act and makes two further changes to the general rules that were introduced in 2009. This relates to new paragraphs 1 and 2. As I understand this, subject to certain conditions, HMRC can recover as late payment interest amounts of repayment interest that have been paid, but which ought not to have been paid. However, this provision does not apply in cases where the whole or part was a result of HMRC error. Therefore, can the Minister please confirm that it is intended that these new paragraphs will have the same effect as those currently set out in section 826(8A) to (8C) of the Income and Corporation Taxes Act 1988? I know that these are technical questions but they are important. If we get this wrong, there will be all sorts of chaos within business. Some of the other clauses that I will come to pose even more dangers. Can the Minister also confirm that the latter provisions will be repealed when these new rules come into force?

New paragraphs 3 and 4 of new schedule 54A suggest that where there is an underpayment of corporation tax for one accounting period and an overpayment of corporation tax for another accounting period, neither late payment interest nor repayment interest will arise during a common period. The Institute of Chartered Accountants understands that this provision is intended to give statutory effect to HMRC's existing practice, but I would welcome confirmation of that.

A number of other questions are raised about particular provisions in those schedules and I would welcome the Minister's assurance that, if there have been errors in drafting, oversight or inconsistencies as a result of what is in this Bill, the Government will table the appropriate amendments in Committee.

I turn now to clause 7, entitled "Settlor to return excess repayment to trustees etc". Is there not a problem with that because of the change to make trusts pay income tax at 50%? Should the aim of the tax regime for trusts not be to maintain equality between income and gains of trusts and non-trusts? Does not taxing trusts at a 50% rate when the majority of settlors pay tax at other rates cut across that objective?

I understand that the scope of the clause is limited to repayments in respect of trust income deemed to be that of the settlor rather than reductions in the settlor's liability. Therefore, for the avoidance of doubt, can the Minister confirm that the settlor need not repay anything to the trustees where the settlor has miscellaneous income losses of his own brought forward which he has to use against the trust income?

There is also a general concern about the costs and administration burden on trustees, settlors and the Revenue in relation to implementing some of the measures in the Bill owing to the large number of tax repayments that now have to be made for small, or indeed very small, amounts, and the need for all settlors to be added into self-assessment. I would welcome the Minister's comments on that. People with no or modest savings or dividend income are in the self-assessment regime, which is complicated and worrying for some people. Even for modest savers, the regime can cost £100 or so for an accountant to prepare a tax return.

Clause 5, "Venture capital schemes", and paragraphs 1(4) and 2(8) of schedule 2, introduce a "financial health requirement" that prevents tax relief for investment in a firm that is "in difficulty". The explanatory notes make it clear that the issuing company is in difficulty if it is reasonable to assume that it would be regarded as a firm in difficulty for the purposes of the Community guidelines on state aid for rescuing and restructuring firms in difficulty. However, the guidelines would appear no longer to have any effect. Paragraph 109 of directive 2004/C244/02 states:

"The Commission will apply these Guidelines with effect from 10 October 2004 until 9 October 2009."

That implies that the guidelines have now lapsed. Will the Minister clarify whether the guidelines are still effective? Even assuming that they are, it is unclear how they will affect companies raising money under enterprise investment scheme or venture capital trust legislation, because paragraph 9 of the directive guidelines states that

"for the purposes of these Guidelines, the Commission regards a firm as being in difficulty where it is unable, whether through its own resources or with the funds it is able to obtain from its

[Stewart Hosie]

owner/shareholders or creditors, to stem losses which, without outside intervention by the public authorities, will almost certainly condemn it to going out of business".

The implication is that for as long as the company can raise funds from its existing shareholders or creditors, but presumably not from new, external investors—that is not explicit—it does not fall within the definition of a firm "in difficulty". I would be grateful if the Minister could confirm whether that interpretation is correct.

Paragraphs 10 and 11 of the directive guidelines clarify particular circumstances in which a firm would be regarded as being in financial difficulty, but they appear to be subsidiary to the primary condition—if a company can raise funding from existing shareholders, those paragraphs simply do not come into play. I would like the Minister to confirm whether that interpretation is correct.

The matter gets more complicated, because paragraph 12 of the guidelines states:

"For the purposes of these Guidelines, a newly created firm is not eligible for rescue or restructuring aid even if its initial financial position is insecure. This is the case, for instance, where a new firm emerges from the liquidation of a previous firm or merely takes over such firm's assets. A firm will in principle be considered as newly created for the first three years following the start of operations in the relevant field of activity. Only after that period will it become eligible for rescue or restructuring aid".

I understand that in effect, a newly created company would not be regarded as a firm falling foul of the firm-in-difficulty provisions for three years after the commencement of operations. Even if it were, I would welcome clarity on how the measure would apply in a group context. Does the three-year rule apply to a new holding company, operating subsidiary or indeed to the entire group?

On the point in time when the financial health requirement is viewed, proposed new section 108B(1) to the Income Tax Act 2007 states:

"The issuing company must meet the financial health requirement at the beginning of period B",

which means the period beginning with the date of the issue of the shares. However, it is unclear how the Revenue will approach that in practice. The logical interpretation is that the issue should be considered only when the application for formal EIS approval is made using form EIS 1. It would create considerable difficulties for companies and their advisers if the Revenue could use the benefit of hindsight and withdraw EIS relief retrospectively, after a formal approval is given and certificates issued. It would also ultimately undermine the company's ability to attract that EIS investment, as there is likely to be considerable uncertainty on whether that relief would be available at all.

There is also a question over the meaning of "permanent establishment" in paragraphs 1(5) and 2(12) of schedule 2. Proposed new section 191A(7) to the 2007 Act states:

"A company is not regarded as having a permanent establishment in the United Kingdom by reason of the fact that it carries on business there through an agent of independent status (including a broker or general commission agent) acting in the ordinary course of the agent's business."

The implication is that if a company employee makes sales in the UK on behalf of the company, the company would have a permanent establishment in the UK. However, there appears to be no requirement for that employee to be resident in the UK, and that a visitor carrying on business on behalf of the company would qualify. Will the Minister confirm whether that interpretation is correct?

There are other issues in relation to that proposal. Proposed new section 191A(2)(b) to the 2007 Act states that

"an agent acting on behalf of the company has and habitually exercises there authority to enter into contracts on behalf of the company."

It has been suggested that for clarity, the definition should follow that already established in the Finance Act 2003, which is that

"an agent acting on behalf of the company has and habitually exercises there authority to do business on behalf of the company."

I realise that there could be difficulties in respect of groups with a holding company, because the Bill requires the issuing company—the holding company—rather than the subsidiary company that has the trading operation to which VCT or EIS funds will be supplied, to have a "permanent establishment".

Charlie Elphicke: My understanding is that that provision is fairly well understood: "to do business" is a wider phrase than "to enter into contracts". The "contracts" provision follows the OECD model of tax conventions on "permanent establishment" in a given jurisdiction, and it therefore tracks better the language of international tax law.

Stewart Hosie: I understand perfectly well that "to do business" is a better phrase than "to enter into contracts", but I want the Minister to confirm the nature of the commissioned agent or an employee of the business. They might be based overseas while carrying out business here, and I should like absolute clarity and certainty on that rather than on the wider point on the difference between the phrases "to do business" and "to enter into contracts". I am with the hon. Gentleman on that.

I am asking that question because as the Minister knows, in many groups, the holding company is a pure holding company, and undertakes no activity other than holding shares in its subsidiaries. My point is that such a company is unlikely to constitute a business as defined in the Bill. Consequently, to require a company to have a "permanent establishment" through which business is carried on or, if the proposed definition is maintained, a

"permanent establishment…to enter into contracts",

could be seen as running counter to commercial reality. I would welcome further clarification on how such arrangements would be treated for those purposes.

I am dreadfully sorry, Mr Deputy Speaker, that I did not engage in a classic Second Reading debate or address more widely issues that are not in the Bill, but I thought it important for someone actually to ask some specific technical questions to probe the Government on it, rather than indulging in the kind of debate that I am sure we will have on clause stand part later in the Bill's progress.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Before I call the next speaker, who will be Julian Smith, I remind hon. Members that his is a maiden speech, and there should be no interventions.

7.28 pm

Julian Smith (Skipton and Ripon) (Con): Thank you for giving me the opportunity to make my maiden speech, Mr Deputy Speaker. I think I am the penultimate Tory to do so.

David Curry was my immediate predecessor as MP for Skipton and Ripon. David gave more than 33 years of public service to this country—10 years as an MEP and 23 years as an MP. As I drove with farmers through the Yorkshire dales last month, I heard yet again the huge gratitude for how hard he worked during the dark days of foot and mouth as he acted as a conduit between the Ministry of Agriculture, Fisheries and Food and the grisly front line.

Were he still a Member of the House, David would be a big supporter of the coalition. He passionately believed in the European project and was one of only three Conservatives to vote in favour of the Lisbon treaty. David had a distinguished ministerial career as Minister with responsibility for housing, where he introduced assured shorthold tenancy agreements, and as Minister of State at MAFF, although his policy to control fish stocks by limiting the number of days that fishermen could spend at sea was not popular—his effigy was hung from fishing vessels demonstrating offshore during one Tory party conference on the south-east coast. David has not only been a highly supportive former Member, but has become a good friend, and I wish him a long and happy retirement with Anne, his seven grandchildren, his dogs and his wonderful garden.

Skipton and Ripon is one of the largest constituencies in England, spanning 900 square miles and containing some of the most stunning scenery in our country, and it takes more than two and a half hours to drive from one end to the other—think James Herriot and one will picture the scene. People travelling on the Settle to Carlisle railway or driving through the Yorkshire Dales national park will see that this is one of the best examples of England's green and pleasant land. On the constituency's east side is Pateley Bridge, a mecca for walkers, but one can then visit the city of Ripon, with its 1,400-year-old cathedral, and the vibrant market town of Masham. We should probably pause in Masham as it is home to the Black Sheep and Theakston breweries—I know you enjoy a pint, Mr Deputy Speaker, but not as much as one of the other Deputy Speakers.

My constituency is also remarkable for the character of those who live in it. They are independent, driven, hard-working and proud of their Yorkshire roots. The big society has been operating here for years. Doctor's surgeries, councils and charities are all working extra hard to deal with the challenges of operating in the most rural county in England. Apart from the Skipton building society and Wolseley, agriculture and small businesses provide the vast majority of employment, and it is on behalf of those small businesses that I wish to speak briefly today. Skipton and Ripon is not like the south-east, Leeds or Manchester—many people have no choice but to make it on their own. Under the previous Government, the small business owner—the individual—as I was when, aged 27, I set up a business from the front room of my flat, has been given much more than his core business to worry about.

Let us hear from two budding, if older, entrepreneurs, who are into property—let us call them Basil and Sybil, as they want to set up a new hotel in the heart of the dales. They reach Companies House in London, where it is recommended that they set up the company online. They go online, but the forms cannot be downloaded as only dial-up speeds are available in Littondale. They want a waiter, a new Manuel, so they start some interviews, but because of the new equalities legislation they worry about asking candidates how they would cope with the very steep and rickety steps around the property. They read a business book to get up to speed on the new rules, but Basil's eyes glaze over as he learns how to calculate employers' national insurance, employees' NI, pay-as-you-earn, student loan repayments, and maternity and pension payments. And when they need an injection of cash they call the bank, but are told that despite their excellent business plan, the bank is not lending to the hotel sector

We have to do better. We are desperate for private sector jobs. Contrary to what the shadow Minister said, the coalition has made a great start on addressing this issue by lowering corporation tax, scrapping the jobs tax and waiving national insurance for new small businesses setting up in Yorkshire. Initiatives such as the venture capital provisions in this Bill are also important steps, but there is more to do to create better conditions for small business—there is more to do beyond finance and, in particular, in the area of employment law.

There has been an explosion of employment law in the past 10 years, from the previous Government and from Brussels. As a small business owner trying to do the right thing, employment law took hundreds of hours of my time. People should try disciplining an employee with the three-step written process when they share the same tiny room with them—it feels ridiculous. Imagine, having started your business, you hire a graduate and four days in she asks for the free eye tests that she understands are her legal right because she uses a computer. Outrageous EU discrimination laws with limitless liability mean that even the most innocent mistake can leave a business owner broke. Additional paternity leave plans by Labour will be introduced next year and the coalition has plans for further reform, so business will get organised for one change and then have to change again in the near future. In addition, has anyone really worked out the impact on very small businesses of both men and women now being able to take up to six months off after having a baby?

Other legislation coming down the track in the next year includes the agency workers directive, the pregnancy workers directive, the removal of the default retirement age and a new right to request flexible working and training. Who is representing the challenges faced by the hard-pressed owner-manager as this legislation is developed? For BP or HSBC all this kind of legislation is manageable, because they can pay for human resources professionals and they can afford their lawyers. People who run small businesses, such as those in Skipton and Ripon or the one that I ran, are their own HR department and they have to manage these things themselves.

We have to do something now to stop new employment legislation for the next two years—these are two years when we need small businesses to feel as free as possible to take on staff. In the longer term, we need to consider more exemptions for small business, acknowledging that it cannot cope with the same burdens as bigger firms. I wanted to represent the challenges faced by small business owners in my maiden speech. Thank you

[Julian Smith]

for allowing me to do so, Mr Deputy Speaker, and may I finish by encouraging anyone beyond this House who has even the smallest desire to set up a business to go for it? It is a fantastic experience and, as this Bill shows, the Government, I and many of my colleagues on the Back Benches will do our very best to support these people and give them a strong voice.

7.36 pm

Alison McGovern (Wirral South) (Lab): First, may I congratulate the hon. Member for Skipton and Ripon (Julian Smith) on his fine maiden speech? As a railwayman's daughter, my recollections of being forced as a small child to suffer the Settle to Carlisle railway as a holiday are still with me. His is an extremely beautiful part of the country and he made an excellent maiden speech.

I welcome many of the measures in this Bill. As has been said, many of them will receive cross-party support and were due from the previous Government's Budget in March. A good, effective tax system, well resourced, is the mark of an excellent democracy, so it is important that Members of Parliament take care to ensure that our tax system functions well. I therefore want to say something about tax and its collection, and to highlight two vital points where this Government have missed an opportunity to implement change that could benefit our economy at this very difficult time.

Hon. Members may not be aware that many employees of Her Majesty's Revenue and Customs work in Liverpool, the Wirral, Merseyside and the Liverpool travel-to-work area. Many such staff now work in my area as a result of the shifting of Government work to areas where wages are lower and it is more effective to locate staff. Their work is largely not commented on, especially in this place, even if it is good, high-quality work. We often talk about public servants, but few of us ever think to congratulate those working to ensure that our tax system functions well—that is part of what I want to do today.

I hope that the House will permit me to share the fact that one of my first experiences as a newly elected Member of Parliament was of some HMRC staff coming to see me at my newly opened constituency office. They were very fearful of changes that the new Government looked as though they might implement and they wanted to raise some of their concerns with me, particularly those relating to the resources that might be available in the future. As has been mentioned, over the past three years they have increased the yield from interventions by 60%. That is a good record and all of us want to see that continue. We legislate in this place—we debate and we pass Bills that become law—but that is all just words; we are dependent on the good work of HMRC to make real our choices and decisions. So we should not treat those staff with scant regard and we should take seriously the problems that they might have. In fact, my experience of meeting and speaking to HMRC staff has revealed that, like many in the public sector at this time, they are operating under a cloud of uncertainty.

I appeal to Ministers to act with transparency as much as they can, to keep in consultation with staff at all times and, in particular, to pay attention to whether HMRC has sufficient resources to act out the consequences of the choices that they make. The child benefit changes might place further work burdens on HMRC staff and we politicians owe it to those staff to ensure that they have enough resources to act on the consequences of our decisions.

I wanted to discuss a couple of opportunities that the Government have allowed to pass them by. One main feature of the Budget that concerned me greatly was the VAT rise to 20%, and I believe that Grant Thornton has estimated that that increase will cost individual households about £500 a year. There is sincere concern among many people about the harm that that could do to our economy. In my area, the recovery is fragile. I am very grateful for the intervention of Deloitte, which has put on record where business and consumer concerns lie. However, I know from speaking to people in my constituency that business confidence is still fragile and I worry what the increase in January will do. I worry what the increase in the cost of the contents of their shopping baskets in January will do to families, and I worry that because of the VAT rise many small businesses in my constituency will face a tougher time after Christmas than they have in the past 12 months.

Let us be clear that we have every indication that that measure is a permanent rise—it is a permanent shift in who pays what tax. We debated earlier the contrast with Labour's temporary VAT reduction. I remember very well the restaurants in my area putting out temporary notices amending their menus—it was very clear to everybody that it was part of the stimulus and part of the Government's work to get us through that time. That is not the case with the current VAT rise, which is a totally different thing. It is a regressive increase in tax.

I absolutely believe that, over time, we must seek to reduce the deficit, but I do not feel that raising VAT is the way to do it. One thing that has not been mentioned so far is the impact of a lower tax take on the deficit. We need to recognise that part of that lower tax take has come from unemployment caused by the global downturn. We need to make strategic investment in this country in the things in which we have a competitive advantage—in high-tech areas—so that we can increase employment and bring the budget back towards balance. That is the way to do it, rather than introducing a permanent shift in who pays tax in this country. It will hit families in my area harder than many; in fact, it will hit families harder in Wirral than it will hit those who live down the road in Cheshire, in the Chancellor's constituency.

My second point builds on some of the debate that we have had this evening about businesses of all sizes. I am thinking specifically of small to medium-sized businesses in my constituency, representatives of which I have met recently. In fact, since I was elected in May I have been speaking with businesses in my area, which—hon. Members might not know this—are science-led. We have an excellent part of the knowledge economy in my constituency as well as many high-tech businesses that supply the electronics industry in Korea and other places. We have Unilever, which carries out high-end research; staff at Unilever's research and development lab in my constituency have more than 200 PhDs among them. There are also many feeder businesses to those science and high-tech industries. Investment allowances are no small fry to us.

In two cases recently, I have been called in to meet a business that is about to move jobs out of my constituency. In both cases, after having analysed the situation, it has seemed that capital investment in new technology could

have stopped that. The motivating factor for the removal of those jobs is the lack of capital investment and I want the Government to pay great attention to what more they can do to incentivise business to make capital investment in our country, because that will make our economy sustainable in the long run.

Let me contrast that with corporation tax, which helps big businesses that are already in profit to keep their profits. A corporation tax cut across the board does nothing to incentivise business to make capital investment. Only this morning I was speaking to people at a business in my constituency. I asked what one thing I could tell the Government to do that would help their business to invest for the long term, and they said, "Help us make those investments: introduce more allowances that enable the investment that will help to protect our employment for the long term."

Alec Shelbrooke: Does the hon. Lady not agree that competitive corporation tax would attract international investment into this country and develop jobs for our economy? We must play on the global stage, not just in Britain.

Alison McGovern: We have competitive corporation tax. The hon. Gentleman is right that we must play on the global stage. Many of the companies in my constituency that I am talking about play on the global stage. I have seen the difference that other countries have made in working with business to ensure that they invest in their technology, which keeps them here for the long term. Let us consider, for example, the historical difference in the German automotive industry, where the Government did just that. We came very late as a country to that approach—to that industrial activism and to that investment in high-tech industry to secure employment for the long term.

I ask Ministers to consider their role. When we are dealing with global companies, the Government must always discuss with them the changes in their industry and what the next move needs to be in investment. I do not feel that an across-the-board corporation tax that hands profits back without any discussion about what is done with them is the way forward.

Charlie Elphicke: Does the hon. Lady not note with concern that the UK's high rate of corporation tax, relatively speaking, has caused a whole load of British companies to leave the UK, thus destroying jobs and money?

Alison McGovern: I merely disagree on the facts. I disagree that we have had an overly high level of corporation tax and that we have not had inward investment. I would invite the hon. Gentleman to come with me to Vauxhall Motors or Unilever in my constituency, where they have just invested millions of pounds in high-tech kit that means that that research will go on in this country in the long term. I disagree with the hon. Gentleman on the facts, I do not think that what he says is the case, and I do not think that that is what is happening. There is a risk that it might happen in the future, unless the Government show an active approach to working with businesses to ensure that they have the right incentives to stay and invest in Britain.

In conclusion, I have three points that I ask the Government to take into account. I ask them to consider, on an ongoing basis, the effectiveness of HMRC and whether the resources allocated are enough to bring in the necessary taxes to bring the budget further towards balance. I question what more they can do to promote real growth and the rebalancing of our economy. I worry about the effect of the VAT rise on those people who are least able to cope with it and that that will yet again distort the economy in Britain. Our economy actually operates very differently in different geographical areas. I do not mean to point out a north-south divide, because parts of the south-west are likely to suffer in similar ways to my area. We need to be careful at this important time. Much can be done to work with businesses and assist them in making investments, and I hope that the Government will consider that as the Bill goes forward.

7.50 pm

Richard Harrington (Watford) (Con): I start by congratulating my hon. Friend the Member for Skipton and Ripon (Julian Smith) on making such an excellent maiden speech. He was erudite, and he was absolutely correct in what he said about David Curry, a man I know. My hon. Friend described his experience from his constituency and as a small business man, and I have had exactly the same experiences myself. I could not disagree with a word he said, and he said it very well indeed.

I have listened to a number of speeches today—in fact, I think I was five years younger when I got here, although it was only a few hours ago. I did not want us to repeat the debate that we had on the Budget before the recess, because this debate is to discuss what the hon. Member for Wallasey (Ms Eagle) described as technical innards. However, we have heard about a lot more than technical innards, and much has been said about the economy in general.

I must say that I cannot believe the advancing amnesia among the Opposition. They seem to be in denial about what happened. The right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), as Chancellor of the Exchequer, decided that he wanted dramatically to expand the economy by borrowing a huge amount of money and spending it on almost anything that there was to spend money on, but it did not work. As soon as the Opposition's denial ends and they say, "Okay, we tried it, but as it turns out it was irresponsible and did not work", we can have serious budget debates. Instead, we have heard arguments such as those from the hon. Member for Wirral South (Alison McGovern) about people putting signs up in restaurants about a small reduction in VAT, which was apparently the great fiscal stimulus. I would love her to find one person in her constituency or in the whole country who said, "Oh, VAT is about 2% less, we'll go and eat tonight." Such things just did not happen.

Alison McGovern: I feel moved to defend myself. The point is that a VAT reduction would give the economy an immediate boost and signal temporary Government action to get us through. I believe that the hon. Gentleman is wrong about the impact of VAT cuts, but if he knows of some statistics or evidence I would be very happy to hear it.

Richard Harrington: Well, the cut cost in excess of £300 million, and it is common sense that people do not change spending decisions based on a 2% difference.

[Richard Harrington]

I shall move on, because time is running short and I wish to talk about two parts of the Bill. The first relates to the British film industry. The Bill contains a technical adjustment to film funding to allow more leeway in calculating the amount that is surrenderable for tax credit. That sounds complicated, but it is sensible. The real issue is the need for appreciation by this House of the film industry's economic contribution.

I must confess to having a constituency involvement, in that Leavesden film studios, where much of "Harry Potter" was filmed, are in my constituency. The American company Warner Bros has announced that it is acquiring the site, and that there will be a big increase in employment. Hopefully those studios, as well as Pinewood, Elstree and many others, will continue their prosperity.

Mr James Clappison (Hertsmere) (Con): My hon. Friend's mention of film studios tempts me to intervene. As he knows, Elstree studios are in my constituency in Hertfordshire, and Hertfordshire as a whole has a world-class tradition of film making. "Star Wars" was made partly in my constituency, as were many other famous films—he mentioned "Harry Potter". Does he agree that through financial incentives it is possible to build on that tradition and create considerable employment opportunities for many young people in a growing industry?

Richard Harrington: I thank my hon. Friend, and of course I agree with him. Our part of Hertfordshire is rapidly becoming the Hollywood of southern England—or its Beverly Hills, in the case of his bit.

There is no doubt that taxation of the film industry is important. According to a recent Oxford Economics study, the industry employs 35,000 people and makes a direct contribution of £1.6 billion to the UK economy. It pays about £445 million in tax, even without any multiplier effect being applied. The £110 million in tax allowances for it in the Bill and in previous Acts of Parliament represent very good value for this country.

Why am I speaking about the film industry, given that as far as I am aware the main political parties agree about the need to provide that assistance? It is because the industry provides an example of not only some of the best uses of Government credits, but some of the worst. Following an earlier Act of Parliament, the accountancy tax avoidance industry used perfectly acceptable vehicles for investing in the film industry as tax avoidance methods. Film and television producers have told me that their films or programmes, which were effectively pre-sold so that there was no financial risk whatever, were used to provide large tax benefits through comparatively risk-free investments. That opportunity was correctly removed about two years ago, but that does not mean that the Government should ignore the perfectly reasonable demand for very high-risk investors to have a tax-efficient vehicle to invest in the film industry. That is good for this country and leads to vast amounts of money and a lot of high-quality employment being brought in. I accept that the Government have much greater priorities at the moment, but I ask them to consider introducing a proper, tax-efficient vehicle for venture capital investment in the film industry, in a way that does not allow it to be used as a method for tax avoidance, which is quite unacceptable.

Secondly, I feel that because of my experience in business and the continual discussion in the press and the House about whether the banks lend enough money to businesses, I should tell the House of my experiences in Watford. I have spoken to most of the major banks there and to nearly 100 small businesses to find out the exact position. Members will know that a Bank of England document shows that the monthly average of new loans has gone down from a peak of £991 million in 2008 to £564 million in 2010, which is a significant reduction.

However, the real question is not the volume of loans being granted but the percentage of loan applications that are rejected. That figure is never seen. The banks' criteria for lending used to be entirely based on property. Many business loans were really property loans in disguise, because they involved guarantees based on the personal houses of people who were borrowing money. Now the banks do not like lending money on property, so for the first time they are looking at small businesses' balance sheets, cash flow and business plans. They are treating them as stand-alone instruments.

I observed the figures in Barclays bank's main business lending office only two weeks ago. I saw people borrowing money and businesses having money advanced, but the reality is that the property-based loans, for the moment, have gone. That is one reason—not a macro-economic reason, but a practical reason—why lending is low. There is money available for small businesses. I agree that management fees are high. That is because banks have to spend a lot of time on a £50,000 loan, instead of just saying, "He's got a house worth half a million, so we are not worried about anything else." As we know, the spreads are high because banks can lend money to Governments for 2% over the base rate, so to lend to a small business banks have to consider a spread greater than that. There is more to bank lending than meets the eye, and we should consider the number of applications compared to the number of rejections.

I see that it is 8 o'clock. I know that other Members want to speak, so I shall leave it at those two comments.

8.1 pm

Bill Esterson (Sefton Central) (Lab): I want to start by discussing some of the comments made by the hon. Member for Watford (Richard Harrington). He talked of total denial among Labour Members about what has happened, but probably demonstrates the same himself on behalf of the Members around him. The figures on unemployment, repossessions and business failures in my constituency this year and over the past two years during the recession are roughly half those on unemployment, repossessions and business failures during the Tory recession of the 1990s. Many Members on both sides of the House will have found that to be the case. The reason for that is the support given to families and businesses during the most severe recession since the 1930s and a decision to look after the human side at a time of greatest peril. I am afraid that that factor is in danger of being missed by this Government.

The decisions taken in this place, which my hon. Friend the Member for Wirral South (Alison McGovern) commented on, affect people's lives as they go about their everyday business. We need to consider that; this is not just a series of numbers. Some Members on the

other side of the House operate as if the cuts in spending and child benefit and the rise in VAT are just numbers, but the effect is very real for millions of people out there, and it is that effect that really counts.

The hon. Member for Watford also mentioned the multiplier effect. I see he is no longer in the Chamber—*[Interruption.]* He has moved seats; I apologise. The point about the multiplier effect is that it is key to providing the stimulus that will allow the economy to grow and the deficit to be cut. Only by growing the economy can we possibly have any hope of cutting the deficit.

It is the role of Government in a recession to step in and support the economy until the private sector is strong enough to take over. The reality is that, at this stage, the private sector in much of this country is not strong enough to take over, step in and replace the Government in growing the economy. That is why the issue is one of timing: how soon we make cuts and how quickly we can pay off the deficit. That is an important point, alongside the impact on people's lives.

Chris Heaton-Harris (Daventry) (Con): Does the hon. Gentleman not recognise that the Government can grow the economy only with money already paid to them in tax? We therefore desperately need the private sector to be kicking off, and the Government cannot replace the private sector.

Bill Esterson: The hon. Gentleman makes an important point that is often made by Conservative Members, but if the private sector is not strong enough to step in and support the economy, that approach does not work. Only when the private sector is strong enough can it step in and behave in the way that he describes. At this stage, the recovery is so fragile that my concern is that we will follow what has happened in Ireland and slip back into recession unless we get this absolutely right.

It is crucial that the timing is right, which is why the Chancellor is now considering a return to quantitative easing as advocated by the Governor of the Bank of England. It is interesting that the Chancellor is looking at increasing the amount of money in the economy, which is done by borrowing—the other way of doing this. Even the Chancellor recognises that we have to get this decision right at this stage of the economic cycle.

History teaches us many lessons. In the '30s, and to some extent in the '80s and '90s, the then Governments decided to cut hard and fast. What happened was what we have seen in Ireland over the past three years: the economy grew smaller, and it grew harder to pay off the deficit, not easier. The lessons are there for us if we wish to learn from them. I hope that the Government will learn. As I have said, there are signs that the Chancellor is learning some of those lessons.

I also want to talk about the value of investment in capital projects. Tonight, some Members have talked about the way that many projects were implemented over the past few years. As I have shown by referring to low unemployment and low rates of business failure and home repossession, those investments in capital projects—not least the Building Schools for the Future programme—benefited local economies very much by providing work and business for many small and medium-sized enterprises. It is important that we keep that kind of capital spending going, which is why it was so wrong that the Government cut Building Schools for the Future and many other capital programmes when they came to office.

The primary capital programme is another such example, and I raised the playbuilder programme in Education questions earlier today. There are also schemes such as the Thornton relief road in my constituency. Road projects are a great example of how a stimulus can be very effective in a short time, through the multiplier effect, which was mentioned by the hon. Member for Watford, who has now left the Chamber. The way to pay off the deficit is by getting that stimulus in place now until the private sector is strong enough, and not to go back into recession, where the deficit will only grow.

A number of Members have mentioned the role of the banks and how they are operating at present. I have seen that myself as a number of constituents have described the circumstances that they face. Banks have been calling in loans and overdrafts at a moment's notice, using the small print, which they always reassured business owners they would never do. In some banks, the debt collection department often steps in and threatens business owners with either having to repay at a moment's notice or pay punitive interest rates. All that goes on without the relationship side of the bank knowing that it is being done. I have already had a number of examples of that in my constituency.

The behaviour of the banks also needs to be tackled, and I am pleased to hear that Members on both sides of the House, having experienced this through their constituents, are determined to take action. However, there is also the issue of the responsibility of the banks for creating the global financial crisis in the first place. We need to tackle that and ensure that it never happens again. We also need to ensure that those responsible for the scale of the crisis through irresponsible lending to people who could not possibly repay their loans and disguising that by using complex financial instruments are made responsible. We must come up with an effective way to deal with that in the long term.

I know that there has been discussion in Government circles of the international banking levy, and I would be interested to hear what Ministers have to say on that issue. My understanding is that they do not propose to go anything like as far as President Obama, but the opportunity should not be missed, because if we can get decent international co-operation on the level of levy that should be brought in, we have a chance of putting the international financial system in a far stronger position for the future, of finding a way to invest back in the global economy, and of ensuring a robust and lasting recovery.

A levy on banking transactions is a far fairer way of tackling the deficit than the kind of cuts being proposed. People to whom I speak in my constituency do not see how cutting child benefit or tax credits, or putting up VAT, will help to cut the deficit; they see it as taking money out of the economy and feel that they are not being supported. That makes them less likely to spend the money that will, ultimately, help businesses to get back on their feet. They do not see why people on middle and low incomes should shoulder the burden of sorting out the financial problems caused by the major financial institutions, and that is why we need to work closely with partners at an international level to sort things out.

[Bill Esterson]

I want to talk about why I think that some of the moves made by the Government will make it harder for us to cut the deficit and will, in fact, have the opposite effect to the one that the Government claim for them. As we have heard Members say, scrapping regional development agencies has a clear implication. By going from eight organisations to 58, it seems to me—this is also being said by business leaders, certainly in the north-west—that all we will do is cause duplication, with costs being repeated 58 times instead of eight times. The changes will make economic co-ordination more, not less, difficult. Also, many of the RDAs have a very good track record of generating inward investment. The move will cost more money and be less effective. We see the same kind of mistake being made in the health service with the scrapping of primary care trusts: that will result in the creation of more organisations that do exactly the same job, with a repeat of the costs.

I mentioned the proposals on VAT, which will take money out of the economy at a time when the recovery is still fragile. The VAT cut had the opposite effect, and I do not accept the arguments of Government Members who say that it did not. The VAT cut resulted in an immediate benefit to the economy, because the money saved was generally spent straight away: people had spare change, and they used it. That had an effect at a very local level, in the shops. Of course, VAT increases hit the poorest hardest, and the Prime Minister himself called VAT a very regressive tax when he spoke at Cameron Direct in May 2009. For once, he really did agree with Nick; Nick told the "Today" programme the same thing on 7 April this year.

In my constituency, 40% of jobs are in the public sector. What happens when those jobs are cut? When police officers, teachers or health workers lose their jobs, they stop spending money with those same small businesses that we need to thrive. They stop spending their money not only in the shops, but on builders, plumbers and other tradespeople. That puts pressure on people who are self-employed and who run small businesses, and not just on public sector workers. There will be an effect not just on the public sector but in the private sector, unless we get the approach right at this stage in the cycle.

In conclusion, we need to look to the banks in solving this problem. We need the banks to lend to small businesses, as Members have said, and we need to look to the banks to take responsibility through a global financial levy. The Government need to reconsider many of the approaches that they are taking, because they are going to make things worse; they are going to increase the deficit and make it harder to grow the economy, and their measures will not work in the way that they hope.

8.14 pm

Alec Shelbrooke (Elmet and Rothwell) (Con): I start by welcoming the hon. Member for Nottingham East (Chris Leslie) to his party's Front Bench. He has been in the Chamber for most Finance Bill debates, and we have sparred a little bit along the way. I am glad to see him taking part from the Front Bench, but what a baptism of fire this is for him. You were not here earlier, Madam Deputy Speaker—one of your colleagues was in the Chair—but the hon. Gentleman heard an unfortunate tirade from his hon. Friend the Member for Bassetlaw (John Mann), who gave one of the most entertaining speeches that I have heard in this Chamber.

The hon. Member for Bassetlaw had us all going. At one point, we wanted to cheer, but almost immediately afterwards we wanted to boo—and that goes for Members on both sides of the Chamber. His argument developed in quite an incredible way. As my hon. Friend the Member for Northampton South (Mr Binley) said, the hon. Member for Bassetlaw is the only Member who could play for both teams during a football match. It was quite an incredible speech. However, he did talk about deficit deniers, a term illustrated quite well by the hon. Member for Scunthorpe (Nic Dakin) and even better by the hon. Member for Sefton Central (Bill Esterson), who has just spoken.

The hon. Member for Sefton Central spoke about capital spend and investment, but surely he recognises that the previous Chancellor of the Exchequer also wanted to cut capital spend. We understand that the new shadow Chancellor and the shadow Cabinet are following the former Chancellor's plans for deficit reduction, which involved a reduction in capital spend. It would be fascinating to know whether the hon. Gentleman totally disagrees with his Front-Bench colleagues and thinks that they are completely wrong, or whether his argument was just confused. I really do not know where his argument was going.

Bill Esterson: Will the hon. Gentleman give way?

Alec Shelbrooke: In one moment; I just wanted to draw on your comment about the US economy. You said that it was a model to follow. There has been an $800 billion investment—or stimulus, if you will—put into the US economy, yet unemployment rates there have grown quite significantly. That is why President Obama's popularity ratings have fallen.

Bill Esterson: I am sure that I did not mention the US economy, but we can check that in *Hansard* later. I want to pick up the point about capital investment. We need to be clear about the differences between the two sides on that issue. We Labour Members were clear that we would keep Building Schools for the Future and a number of other major projects going. We were looking at a long-term process for reducing the deficit. Those on the Government Benches proposed cutting all capital spending more or less straight away.

Alec Shelbrooke: I am glad that I gave way to the hon. Gentleman, because he makes my point. You say that you want to keep the investment going on these capital projects, but you also say that you will reduce the capital budget. How? That does not add up. You simply cannot go on saying that you will spend money here and there, not raise taxes, and carry on borrowing. The argument simply does not add up. I became confused halfway through the speech made by the hon. Member for Bassetlaw—

George Freeman (Mid Norfolk) (Con): So did he.

Alec Shelbrooke: Yes, so did he. He seemed to be saying that unless the Government employ everybody in the country, no money will ever be spent. He said, "You can't reduce the number of people in the public sector, because they're the people who have to go to the sandwich

shop." Of course, people in the private sector do not eat or buy anything; they have a robotic existence. I wonder what happened before there was such a large public sector. The hon. Member for Sefton went on to give examples of private industry in his constituency that have benefited from loans from the regional development agencies. That is where I think the confusion lay. He was talking about Government investment, not Government spending on public sector jobs and so on.

The hon. Gentleman talked about the regional development agencies, but there was provision for a regional growth fund in the Budget. The Government have also put measures in place in the Budget to reduce national insurance contributions for those setting up companies outside the south-east, and have reduced capital gains tax. As I pointed out in my intervention on the hon. Member for Wirral South (Alison McGovern), that helps investment from international business to come in.

Yorkshire Forward, a regional development agency, says at the bottom of its e-mails, "We have created more than 52,000 jobs." No, it has not. Private business creates the job. If Government money is used, the job is not "created"; there was a subsidy that eventually has to be paid back.

Government money is just private money that the Government have nicked and are trying to put back. It is not our money. We do not earn it. We take it from the wealth creators. If we are not creating that wealth in the first place, how can we go on and spend it? The deficit deniers do not understand or do not accept that every one of us would like to stand here and say, "Do you know what? I'm going to replace every school in my constituency, and I want a first-class service." Every one of us wants a first-class service—that is why we went into politics—but we must be realistic. We must be pragmatic. We must understand that we cannot go on spending money as we have been doing.

I take issue with the suggestion that the move to a 20% rate of VAT is permanent and that we have no intention of lowering it because ideologically we want to tax more. Ideologically we want to tax more? I have never heard such nonsense. We are the party of low taxation. We made it clear in every speech that at each Budget we would review and lower taxation if we could. It has never been said that VAT would remain at 20%. One would hope that we may be able to move to a lower taxation rate.

In the short time that I have left, I shall move on to a specific topic. The Bill refers to closing tax loopholes. Everybody in the Chamber wants to achieve that because there is a great deal of revenue out there that the Government are not getting. Let us look at the way money circulates in the economy. Representations have been made to me that red diesel be used in emergency service vehicles. We can see the sense in that. Emergency vehicles are paid for through Government money, VAT is paid, and money is being circulated and coming back. That is a sensible argument and would impose no cost on the Exchequer.

I make a plea to the Minister to consider something else. I am proud that we have an excellent Yorkshire air ambulance—indeed, we have two. They are on BBC 1 every day at 9.15 am, relating their exploits in rescuing people who have got into difficulties in areas such as the Yorkshire dales. That leads me to say what an excellent maiden speech my hon. Friend the Member for Skipton and Ripon (Julian Smith) made, describing that countryside, where people like to go hiking. We know that accidents can happen, so we have the air ambulance.

Yorkshire air ambulance costs £2.628 million a year to run and not one penny comes from Government. It is all raised through charitable giving. I therefore urge the Minister to consider, when the time is right, exempting from fuel duty Yorkshire air ambulance, the other air ambulances and the people who contribute to the emergency services? They would still raise their money through charitable giving, but that exemption on the 162,632 litres of fuel that the Yorkshire air ambulance used last year would help greatly to reduce overall costs.

I close with a further plea. We have had several Finance Bill debates and all we hear, all the time, is cherry-picking: "We don't want to do this bit. We don't want to do that bit. The Government are hitting the poorest here. They are not doing enough for the rich there." Can we please start to look at the Finance Bill holistically? We have raised tax thresholds. We are reducing national insurance. We have raised capital gains tax. We are reducing corporation tax to bring in more businesses and create more jobs. We are putting in place regional growth funds. Can we please stop the cherry-picking, have a sensible debate and look at the arguments sensibly, holistically and in a grown-up way, and can we please stop denying that the deficit exists?

8.23 pm

Sheila Gilmore (Edinburgh East) (Lab): In the course of the debate, yet again, we have heard an awful lot of myths and legends. One of the biggest of those is the notion that because the Opposition have a different view of the economy, we are deficit deniers. You do not have to be denying a deficit to hold a different view of how it arose and the background circumstances, and a different view of how we get out of the situation that we are in. That is quite reasonable.

It is healthy that we have politics within which there are different viewpoints. The proof of the pudding will be apparent in a few years. If you are right, I will have to eat my words. I do not believe that those on the Government Benches are right, but we cannot tell just by throwing words at each other. It is not correct to say that somehow the Opposition hold the view that there is no deficit. That would be plain nonsense.

There are other myths and legends that we have heard today. One, which we heard from the hon. Member for Northampton South (Mr Binley), is that the previous Government were guilty of not mending the roof when the sun shone. We hear that repeatedly. If building schools, hospitals and roads was not mending the roof, I do not know what it was. If by that Conservative Members mean that we should have saved the money and put it in a reserve somewhere, that may be a legitimate criticism, but to suggest that we were not investing in the country's infrastructure is plain wrong.

The hon. Member for Northampton South also suggested that the economic crisis was entirely our fault because of light-touch regulation. I may have been asleep through the years of the Labour Government, but I always thought I heard Conservatives saying that there was too much regulation, that we were the party of red tape and regulation, and that we over-regulated

[Sheila Gilmore]

not just financial services, but everything. We heard an excellent maiden speech from the hon. Member for Skipton and Ripon (Julian Smith). Although I disagreed with the entire political content, it was a good speech. The hon. Gentleman said that in his view there was too much regulation.

It is easy to say with hindsight that there should have been more regulation of the financial services industry, for example. I believe that there should have been, but when people say that we were over-regulating the economy, that is one of the myths and legends.

We are told that we do not want to leave our children and grandchildren in a big financial mess by not paying off debt, but equally, and perhaps more importantly, do we want to leave our children and grandchildren in the position that generations have been placed in by previous economic failures, by destroying jobs and creating long-term unemployment in various parts of the country? I do not want to leave that to my children and grandchildren.

We are allowed to differ and to hold different points of view and different economic theories. The difference is not about whether there is a deficit, but about how we got into the present situation and how we get out of it.

The previous Government managed to stop the rise in unemployment reaching the levels that had been predicted. That was the cause of economic stimulus. Far from the deficit spiralling, as we heard earlier from the hon. Member for Stratford-on-Avon (Nadhim Zahawi), the deficit did not rise as much as had been expected. Therefore, we were not in some sort of new crisis—that is what has been suggested—which justified an emergency Budget which had very little in it. The Finance (No.2) Act 2010 that we passed in a great hurry before the summer also had very little in it, and we lost an opportunity to make some important changes.

The public and private sectors are inextricably linked, and slashing jobs in the public sector will further reduce the tax-take, increase the demand on benefits and, in itself, increase, not decrease, public borrowing and the deficit. Equally, reducing our investment in infrastructure—not stopping it entirely, but reducing it more than we need to do—will ultimately put us in a more difficult position.

Just last week I visited two constituent households at their request. The problems that they asked to see me about had nothing to do with jobs; nevertheless, by no coincidence in both households there was a working-age construction worker who was desperate to work but could not find any in my city. One said that the last job on which he had worked was now a complete university building in the city, but we will not see much more of that kind of building by our educational institutions. He is very keen to work, but the jobs are simply not there.

Alec Shelbrooke: Everybody would like to see that investment, but, and this is the point that I tried to make in my speech, the previous Chancellor would also have cut the capital budget. I talk about deficit deniers because I do not understand how you can ask for capital investment to carry on when your shadow Front Benchers would, as I understand it, follow that plan to reduce the capital budget.

Sheila Gilmore: I thought I had covered that issue. We are not saying that there is no deficit or that there will be no reductions; we are saying that if you cut too far and too fast, you will worsen the current position.

Gordon Birtwistle (Burnley) (LD): I am extremely interested in the fact that you admit that you would have cut the deficit, and I am extremely interested to know how you would do so.

Madam Deputy Speaker (Dawn Primarolo): Order. Tempted as I am to answer the questions that are being posed about the deficit, I remind the House that the hon. Gentleman is not the only one in this debate currently blaming the Chair for everything, so I would be grateful if we could return to the convention, ensure that our language is correct and, if possible, keep me out of this argument—for now, anyway.

Sheila Gilmore: The whole matter is very much one of degree, not either/or. However, one other interesting difference between the Government and Opposition Front Benchers is that the Government frequently argue that high public spending and a big public sector act as a drain on, and kill off, the private sector. In the city of Edinburgh between 1997 and 2007, however, development and building—not just public sector building, but private sector building—flourished. In fact, the Royal Bank of Scotland built a huge corporate headquarters just outside the city during that period. The argument is that if we have a huge public sector, the private sector will shrink and disappear, and that, therefore, if we do the opposite, the private sector will suddenly rise up. I do not yet see, and doubt whether we will see, any great rise in the private sector. Where are the private residential houses and offices being built by the construction industry in my city? They simply are not there. They were at a time when, according to all the arguments that Government Members have put forward, they should not have been. If the public sector is so bad for the private sector, we should have had huge problems.

At this stage in the passage of a Finance Bill there are opportunities to do several things. We heard an interesting exposition of the importance to the film industry of tax reliefs and credits, so why did the Government decide not to go ahead with an equivalent tax credit for the video games industry? The city of Dundee, which is not far from where I live, suffered for many years after what happened to the old industries. It was a city of jam, jute and journalism, and it struggled for a long time, but the relatively recent expansion of the further and higher education sector in the city and the spin-offs in terms of the research and development have been very impressive. They have brought people back to a city that was losing its population, and they have encouraged young people who were educated there to stay there. Industries such as the video games industry, for which Dundee has become justly famous, have done that, yet for no good reason the coalition Government have stopped something that might have allowed the industry to develop and flourish. The opportunity exists in this legislation for the Government to reintroduce that opportunity, and I hope that they will do so.

I was at a briefing earlier today on the Robin Hood tax, a financial transaction tax that many organisations in this country advocate not only because they feel it

right that the banks, which did so much to cause the financial crisis, should contribute, but because it is a way of raising funds to deal with poverty and deprivation here and elsewhere. That proposal could be included in the Bill. It is well worked out, and I hope that, even at this stage, the Government will be prepared to consider amending the legislation in order to include such matters.

8.35 pm

George Freeman (Mid Norfolk) (Con): I start by congratulating my hon. Friend the Member for Skipton and Ripon (Julian Smith) on the magnificent maiden speech that he made earlier. If he is indeed the penultimate Conservative of the new intake to speak, it was certainly worth the wait. I am sure that the people of Skipton and Ripon can see that they have made an excellent choice. I also take a moment to congratulate the hon. Member for Nottingham East (Chris Leslie) on his elevation to the Labour Front Bench; like the Geoffrey Boycott of the debate, he has stood at the crease manfully as his colleagues behind have been skittled out.

In supporting this key plank of the coalition Government's programme to tackle the deficit, I wanted to stress three key points in the time available. There is the seriousness of the crisis in our public finances that we inherited from the Opposition; I have to say that it is disappointing not to see more of the people responsible for the crisis here this evening. Secondly, there is the key role of the private sector in generating the growth that we now need to pay for the public services that we all cherish. Thirdly, there is the specific importance of the measures in clauses 10 and 12 to promote venture capital trusts and research and development relief for high-growth SMEs, which are especially important to the recovery for reasons that I will touch on in a moment. I emphasise the importance of high-growth companies as one who has come to the House after a 15-year career of supporting technology companies in the life sciences sector. I declare an interest in a number of small companies set out in the register.

In discussing the measures in the Bill, we need to remind ourselves of some hard facts. The deficit currently stands at £155 billion. It is the largest in our peacetime history. We have the largest deficit in the G20. This year alone, debt interest is set at £43 billion, and without the measures set out by the coalition Government and my right hon. Friend the Chancellor to tackle the deficit, interest payments alone would have risen to £70 billion a year.

To prevent interest rates from spiking—the true risk of that inheritance—the Government are right to commit to reducing public spending and increasing private sector growth. Labour Members talk of growth, but seem to forget that it is the private sector that is the source of all growth and that pays for any growth in the public sector that we or they may promise. It is private-sector business people up and down the country who pay for our promises, and they now need our support.

We need to think about where the growth will come from, and I should like to suggest two key sources. First, the millions of SMEs up and down the country, frankly, want us to do something simple—get off their backs, stop taxing and regulating them and allow them to grow and flourish as they will. I also want to turn to a second source of growth, which is the three key specialist sectors of which I have some experience. They are biomedicine, food science and environmental science, in which the country punches well above its weight; in many areas of those sectors it leads the world. As the world's population rises inexorably, they will become enormous sectors of growth across the world.

High-growth companies in those sectors have the potential to lead our recovery and lead this country back into positions of world leadership, provided that we support them properly. High-growth SMEs in the sectors have very special financing needs. Unlike smaller, high-street SMEs, which are struggling so hard, they are not, typically, dependent on the banks. They tend to be dependent on entrepreneurs, on founders—often scientists or people around universities or research institutes, who are then backed up by angel investors who put their expertise and hard-earned money to good use, by venture capital trusts and by corporate venture investors. We need to recognise the importance of that very specific financing food chain and encourage it. I therefore warmly welcome the measures in clauses 10 and 12 on tax relief for research funding and SMEs and for encouraging venture capital trusts. More widely, I welcome the coalition Government's measures to reduce corporation tax and to relieve entrepreneurs on capital gains tax.

Those are vital measures in a serious Government programme to tackle the deficit. It would be nice to hear from Labour Members what they would do to tackle the deficit were they to be in power.

8.40 pm

Chris Evans (Islwyn) (Lab/Co-op): As this is the third Finance Bill that we have debated in the House this year, one could say that Finance Bills are a bit like buses: you wait for one to come along and three arrive at once. Even though this is a dry and technical Bill, it does have some merits. My primary concern is the failure to put in place a plan for growth.

Throughout this debate, we must remember that economists cannot predict the future. History is littered with economic theories that have failed, and I am sure that everyone in this House would agree that only time will tell how the economy will pan out. However, we can deal only in facts. There is no doubt that the economy is at a very dangerous crossroads. In the past, economic recovery following a large-scale financial crisis has inevitably been slow. It is vitally important that we make the correct decisions now on growth, jobs, the deficit and public spending. Yes, dealing with the deficit is absolutely key to future economic policy, and there is no doubt that we must cut waste where it is found. That is not deficit denial; it is the truth.

I am deeply concerned about statements made by the Prime Minister and the Chancellor of the Exchequer that seem to imply that deficit reduction is the beginning and the end of economic recovery. To me, it is vitally important that we have a credible and medium-term plan to reduce the deficit based on a careful balance between employment, spending and taxation—but only once growth is fully secured and over a longer period than the Government are currently planning. Simply put, hitting growth will make it more difficult to pay down the deficit because it means less revenue for the Exchequer. That is not deficit denial; it is just plain common sense.

[Chris Evans]

We face fundamental questions. Is it right to be cutting millions of pounds from public services and taking millions of pounds out of family budgets this financial year and the next? What will that do to jobs and growth? Ultimately, what will it mean for the deficit? There seems to be a growing consensus in the House today that says that the deficit is the only issue that matters in economic policy, that the measures to reduce it are unavoidable, and that there is no alternative. Adopting the consensus view may be the easy and safe thing to do, but it does not make one right or credible. We did that in the '30s and were faced with the great depression. The leader of my party, Ramsay McDonald, fell out with his parliamentary party over cuts, and we saw what happened then.

Of course, the impact of immediate cuts to public spending on jobs and the recession has not yet fed through. Even though polls tell us that the public support deficit reduction when they are told that it will come from cutting waste in public spending, I wonder how they will view it when a local hospital is not built or a school is in desperate need of repair and there is no money to pay for it.

To attempt to repair the damage of such an event and return the national debt to its previous levels in just a few years is not only incredibly dangerously in the eyes of financial markets but places an intolerable burden on current users of public services. Even halving the deficit, as Labour Members propose, would represent comfortably the biggest and fastest cut in the deficit since the period after the second world war, but without the peace dividend to fund it.

By far the biggest influence on deficit reduction and the balance between taxation and spending is economic growth and the number of taxpayers in jobs paying their fair share. That is why the priority must be growth and jobs. It disappoints me that the Government have seen fit to cancel support for industries of the future such as the games industry. The Labour Government set out plans to support the industry in March, the new Government axed them in June, and the result was job losses in Scotland in August. That is what happens when a Government cut at any cost. The industry sustains thousands of highly skilled jobs that we simply cannot risk losing if we are to secure economic recovery and protect jobs. The industry, which contributed £1 billion to the UK economy last year, is competing with significant incentives from countries such as Canada, which are trying to entice companies to relocate their jobs. To me, cutting support for industry and highly skilled jobs is wrong at this time. I believe that the Government should urgently rethink that decision.

The UK's creative industries will be essential to rebalancing our economy away from dependence on financial services. The Government's decisions do not seem well thought out, and the video games industry has issued warnings about the long-term implications. The Association for Interactive Entertainment has already said that, with the absence of tax breaks, it is essential that the Government work with the industry to address the skills gap and better access to research and development initiatives. It is therefore of the utmost importance that an assessment of the impact on the creative industries is made. Perhaps most worrying, the scrapping of tax relief, which puts the future of the computer games industry at risk, took place without industry consultation or discussion.

Many hon. Members have mentioned regional development agencies and their benefit to the economy. They, too, were scrapped without consulting business. That sets a dangerous precedent, and I urge the Government to think carefully about formulating policy in that way in future.

I have tried to keep my comments brief because other people want to speak, but now is the time for a careful and considered discussion of reforming tax and benefits in this country. I hope that we can do that through the Bill. Although I am happy about elements of it, I trust that the Government and the Opposition will now engage in that discussion.

8.46 pm

Penny Mordaunt (Portsmouth North) (Con): Historically, it has been argued that the secrecy surrounding Budget measures has hindered proper scrutiny, especially as Parliament has but little time to consider their broader implications. Those implications have not always been positive for the Government of the day. Indeed, had a previous Chancellor not guarded his Budget measures so jealously, his blushes might have been spared over the abolition of the 10p tax rate. I remember that time well—in Portsmouth, the average wage was £18,500, and anyone earning below that and above £5,000 was absolutely clobbered. That is why I will never take lessons in fairness from those who now find themselves on the Opposition Benches.

The Government's publication of the measures in the Bill on 12 July is therefore a welcome departure from the norm, opening a consultation and inviting comment. That is an innovation in the interests of good and transparent government, and I hope that, in future consultations, a broad audience beyond the usual tax practitioners will let its views be known to Her Majesty's Treasury.

The many people in Portsmouth North who suffer from asbestos-related illnesses are part of that broader audience. The proposals in clause 31 to facilitate compensation payments to those people are a proper response to the tax liability to which many well-intentioned trusts have found themselves exposed.

Asbestos-related industrial diseases are sadly a common occurrence in all our constituencies. The long period from exposure to presentation of symptoms, as well as lack of awareness, means that we will see new cases for decades to come. Indeed, in the next 10 years, the number of cases emerging each year will peak at about 2,500. As a dockyard city, Portsmouth can expect to contribute disproportionately to that number.

Currently, the trusts established to pay compensation to asbestos illness sufferers can be liable for inheritance tax, capital gains tax and income tax on their assets. Clause 31 will introduce a retrospective exemption for trusts established between 6 April 2006 and 23 March this year. That will mean more money going to victims, and will be very welcome in Portsmouth. It will be a relief to sufferers from asbestosis, cancer and even relatively benign conditions such as pleural plaques, which can nevertheless be a precursor of more serious complaints. The extra resource is much needed, as it will

also help meet the cost of care. Often, only 35% of the cost of that care—particularly hospice care—is met by the NHS. The provision happily complements the High Court ruling in August this year, which asserted that insurers' compensation should be used for the care that victims have needed. I am encouraged that the unwitting exposure to tax liability of an essentially charitable endeavour is to be put right, and that the problem can be avoided in the future if new trusts consult fully the Charity Commission and HMRC.

It is a happy coincidence that the launch of the consultation period on Finance Bills comes with a Bill that offers so many positive measures. In addition to clause 31, I welcome the amendment to collection procedures for income tax for individuals and the harmonisation of administration regimes for different taxes—a further advance towards simplification and transparency. We must all recognise the exasperation that many individuals and businesses in our constituencies have felt in their dealings with HMRC, and measures to ensure that taxation is fair, straightforward and transparent are always to be applauded. However, I hope that the Economic Secretary will dwell on clauses 26 and 27 about the failure to make returns and late payments. Given HMRC's track record, I seek assurance that those measures will not over-burden taxpayers or impose disproportionate penalties. I am especially anxious that the size of fixed penalties for small businesses be given careful consideration.

I also applaud first-year allowances for zero-emission goods vehicles, a genuine incentive for logistic firms to pursue a green agenda and a sign of the Government's determination to reward green behaviour.

It is also worth noting what the Bill omits. The long period of consultation has afforded us adequate time to enjoy the absence of some measures favoured by the last Government. Happily, we can pass this Bill without unfairly impinging on the landline user or the cider drinker.

8.51 pm

Jacob Rees-Mogg (North East Somerset) (Con): I congratulate my hon. Friend the Member for Skipton and Ripon (Julian Smith) on a speech that was excellently delivered and every word of which I agreed with. It was a fine maiden speech and a pleasure to listen to.

I also welcome the hon. Member for Nottingham East (Chris Leslie) to his new position. His speeches are in a somewhat different category, in that I always enjoy them but never agree with them. It is nevertheless a pleasure to see him in his place as his contributions in earlier debates were all listened to with bated breath, not least as we waited to intervene on some telling point.

This is a good and worthy Bill that is, perhaps, typical of the workmanlike approach that the coalition Government are taking to the difficult matters at hand to ensure that government is done fairly, justly and properly. In that context, it is interesting to look at the issue that was raised by the shadow Chief Secretary about the morality of taxation and whether it is moral, in one sense or another, to avoid taxation. We should be careful about eliding "avoid" and "evade". The two are clearly different things, and this Bill exemplifies why that is so.

The Bill will relieve the taxpayer of burdens that Parliament probably never intended to place on them. For example, did we really want to have a special taxation for merchant seamen who are within the European economic area, as against those who are British subjects? Or was it an accidental result of historical legislation that meant that EEA citizens were caught in a way that the British subjects were not? As it happens, it is right and proper that Parliament should legislate to take people out of a tax that is misplaced, and it is equally right and proper that Parliament should legislate when it wants to bring people into a tax that it has not legislated for in the past.

The famous exponent of this was, of course, Lord Tomlin. In 1936, in a case brought by the Inland Revenue commissioners against the Duke of Westminster, Lord Tomlin said:

> "Every man is entitled if he can to arrange his affairs so that the tax attaching under the appropriate Acts is less than it otherwise would be. If he succeeds in ordering them so as to secure that result, then, however unappreciative the Commissioners of Inland Revenue or his fellow taxpayers may be of his ingenuity, he cannot be compelled to pay an increased tax".

That is why it is so important that we have these detailed pieces of legislation coming through, because when we look at the length of a cigarette, which is dealt with in clause 23, and whether it should be 3 inches or 4 inches—the measurements are all in centimetres, but being British, I shall stick to inches—and therefore be taxed differently, is that an issue of great, high morals, that should be referred to the College of Cardinals for debate, to decide which is one and which is the other? Or is it, in fact, a detailed point of law that is quite rightly passed by this House, so that taxpayers will know exactly where they stand? If we take an aircraft that weighs more than 8 tonnes—I shall not convert that into hundredweight, but I am sure that some will want to—should it be specially subject to value added tax, or should it not? Again, it seems quite clear to me that that is an appropriate matter for detailed legislation. The taxpayer who follows the letter of the law is never doing anything either wrong or immoral, and people who seek to try to confuse the two at seaside party conference are making a great error and doing a great unfairness to the British subject who is doing his best in an immensely complex area.

There is one other thing from this Bill that I would like to note, which is that clauses 5, 6, 14, 18, 19, 20, 21, 22 and 23 are, in whole or in part, requirements of the European Union. I mention that so that this House notes that we are perhaps not quite as free as we think we are to set our own tax rates, and that there is creeping Europeanisation. I see my hon. Friend the Member for Dover (Charlie Elphicke) is in his place. He is, in his port, at the forefront of our protection from creeping Europeanisation coming across our shores—this creeping Europeanisation that makes up almost a third of the Bill.

Charlie Elphicke: I thank my hon. Friend for his generous comments about our desire to buy our port. As far as Europe is concerned, does he not agree that it would be better if we were more masters and captains in the ships of our national destiny?

Jacob Rees-Mogg: That is put in an appropriately Nelsonian way. Of course we should sail the ship of state independently. It is important that so much of our

[Jacob Rees-Mogg]

domestic law is, in fact, coming from Europe, including our tax law, because that is the one thing that many people thought was broadly exempt from the interference of—

Ms Louise Bagshawe (Corby) (Con) *rose—*

Jacob Rees-Mogg: It would be a great privilege to give way to my hon. Friend.

Ms Bagshawe: My hon. Friend is making a typically eloquent and masterful speech. Does he agree that he has done the House a great service in listing those clauses of the Bill that are subject to European regulation? Surely at the very least we owe our electorates such transparency on the issue, so that they should be informed as to which decisions are those of our Government and which are being handed down from Brussels.

Jacob Rees-Mogg: My hon. Friend has put it absolutely correctly and wisely: people need to know what is going on. "Truth is great and it will prevail" is, I believe, a motto of some.

Let me draw my remarks to a conclusion. I praise the Government. I think that they are right. They are putting forward serious-minded, proper legislation—detailed, pernickety, perhaps even dull—but it is rightly the duty of this Parliament to pass such laws, albeit with the caveat that we want our laws to be our laws, and not an adjunct to the European Union.

8.59 pm

David Rutley (Macclesfield) (Con): I think the phrase is, "Follow that." What an amazing tour de force. I congratulate my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) on his great remarks. I should like also to congratulate the hon. Member for Nottingham East (Chris Leslie) on his elevation and my hon. Friend the Member for Skipton and Ripon (Julian Smith) on a wonderful maiden speech. He represents a great part of the world, and I am sure that the people there will be well satisfied that he represents them well.

As has been discussed, the main purpose of the Bill is to enact a series of technical tax measures inherited from the previous Government. It is a wide-ranging Bill, and it is part of a package of measures that this Government are having to take to tackle the economic crisis. The first Finance Bill, this Bill and the comprehensive spending review will each assist us to address the economic challenges facing our country.

I shall begin by focusing on the clauses relating to Her Majesty's Revenue and Customs. It is important that the necessary improvements be made to help income tax to be more effectively deducted at source, as set out in clause 8. We need to support HMRC in doing a better job of collecting the taxes that are owed. That is a critically important job, given the state of our public finances. That said, however, it is not just the legislation that needs to be updated. It is clear that HMRC's senior management team has more work to do, given the recent huge problems with PAYE.

The Treasury Committee held a meeting in September to review HMRC's operation of the PAYE system. Like other members of the Committee, I had the chance to probe the issues surrounding the new computer system, and the announcement that 1.4 million taxpayers would be receiving letters informing them that they had underpaid their taxes. The hearing also highlighted the much broader issue of HMRC's mind-boggling backlog of 18 million open cases of overpayment and underpayment in previous years. Dealing with that must be a major priority. The senior management team will simply have to improve its communication skills, enhance the so-called customer journey—which for too many has felt like a short trip down a dead end—and prove its new system's capability as it moves to full roll-out. Based on my postbag, and on conversations that I have had with HMRC staff in Macclesfield, I believe that much more work is required to improve taxpayer confidence in the organisation and to raise employee morale across its operations. I welcome the clauses in the Bill that will help HMRC to do its job, but these other challenges must be addressed to enable the Government to achieve the objectives that they have set out in their tax measures.

The challenges facing HMRC would not be so huge or so critical if the public finances were not in such a mess, however. That is why it is important to examine the context in which the Bill is before the House. This country's record deficit has repeatedly been highlighted in the debate. It is not the product of a mythical global economic crisis. Even before the credit crunch, there was clear evidence that spending and the burden of tax were too high. The truth is that the previous Government were caught completely flat-footed as they faced the economic crisis. The scale of the challenge has now been starkly set out, and it is time for the coalition Government to pay back Labour's debts.

It is against that backdrop that the Chancellor announced his emergency Budget, which included a clear fiscal consolidation plan that placed a priority on lowering spending, combined with tax measures to reduce the deficit and to reform the tax system. Clearly, this Bill has a role to play in that regard. Strong medicine is needed, and it must be taken in the months and years ahead. That is what the British public expect; they recognise that it must happen. The detail will be spelled out in the comprehensive spending review in a few days' time. Radical welfare reform must be an essential part of the plans, and tough decisions on tax have also been made, with VAT having to be increased to 20% in January.

All that is necessary to get the public finances back under control and to get through the economic crisis, but we need to go further and create the conditions for sustainable economic growth that must be based on an expanding private sector. Colleagues have mentioned that in their speeches today. Growth comes from the private sector, not the public sector, and restoring national competitiveness must be a priority. It will be critical to give greater confidence to small and medium-sized enterprises, which form the backbone of our economy and are the engine of job creation. That is why I am pleased to support the Bill, as clause 13 sets out help for SMEs with tax relief for research and development.

It is good that the Chancellor is also taking forward other critical measures, including scrapping Labour's tax on jobs, and reducing corporation tax year on year for four years, down to just 24% in 2014. It is good to see that Britain is definitely open for business once again, as it should be. All that must be underpinned by

a change in direction in economic policy making. This is about asking the right questions, and about taking a new approach to getting the best possible answers.

Over the past 13 years, the previous Government and many in the media were simply asking the wrong questions. They wanted to know, "How much can we spend on this, and what steps are you taking to protect spending on that?" No one asked whether we could afford a particular policy, or how much it would increase the burden on taxation. Coming from the world of business, I find it obvious that a different question must be asked by most companies in competitive marketplaces day in, day out. The way in which it is asked may vary from business to business, but the substance of the question remains the same: "How can we give our customers more for less?"

That is not a question that businesses are ashamed to ask. It lies at the heart of how they compete and how they provide worthwhile work for their colleagues: it is ingrained in their culture. However, although some in the public sector have sought to take the question seriously, it has not been heard above the demands to spend, spend, spend that have come from Opposition Members. It is a tragedy that it has taken an economic crisis of this scale to enable it to be heard.

I am pleased that the right questions are being asked now, and that legislation such as this will help to address the challenges that we face. Behind the questions, however, there must be a new approach if we are to obtain the answers. Faced with big challenges following the general election, the Conservatives and the Liberal Democrats made a bold decision to work in coalition. That is not something for which I hoped at the time of the election, but it means that there must be give as well as take. It means that both parties must get around the table, and the evidence so far suggests that it has led to radical and bold solutions as both parties seek to work in the national interest.

I believe that, given the tough challenges that lie ahead, that approach will have wider applications. I believe that it will define new, creative ways of working between Government Departments, between businesses and Government, and between local councils and community groups. It is about people working together in new ways in the interests of their country and, indeed, their communities in this most difficult of times. We see it working in Macclesfield as residents, community groups, local businesses and Cheshire East council work together, strengthen the local economy and revitalise the town centre. Our new treacle market is a tremendous success, and I recommend it to the House. It is held on the last Sunday of every month, and I suggest that anyone interested come along.

At least the Bill sets out business initiated by the previous Government that needed to be progressed, but it is sad to note that not much more was worth progressing, and that so much was left undone. A complete mess was left for the present Government to clear up, and today's evidence suggests that the Labour party, not notable for the huge number of its Members present, has nothing much to add to the debate. Faced with such challenges, unlike the coalition Government, they have chosen denial—or, as today's attendance suggests, avoidance—rather than a constructive dialogue.

I am no psychoanalyst, but I understand—and I am sure that Members will be interested to hear this—that denial is a defence mechanism used by a person who is faced with a fact that is too uncomfortable to accept. Such a person will insist that something is not true despite overwhelming evidence to the contrary, and will often behave in ways that others see as quite bizarre. We see such behaviour on a regular basis on the Opposition Benches. To make matters worse, the Opposition are in double denial. They cannot see the scale of the crisis, and they are not willing to accept that they are responsible for it.

We might have hoped that things would improve with the birth of new-generation Labour—although that too is not obvious from today's debate—but we have heard nothing to support that hope today. For once I agree with Alastair Campbell, who said over the weekend that what Labour needed was a proper economic narrative. We on the Government side of the House have been saying that for a long time, and I am pleased that the hon. Member for Bassetlaw (John Mann) joined us this afternoon.

I support the Bill, and support the work that the Government are doing in tackling the deficit. Difficult challenges and uncomfortable decisions lie ahead, but the right questions are finally being asked, and the Government are making important progress in the most difficult of circumstances.

9.9 pm

Claire Perry (Devizes) (Con): I join in the congratulations to my hon. Friend the Member for Skipton and Ripon (Julian Smith) on his excellent maiden speech. I also congratulate the hon. Member for Nottingham East (Chris Leslie) on his elevation. He is a triumph of quality over quantity tonight. It is either that or he needs to change his Lynx body spray.

I am pleased to speak in support of the Bill, an agglomeration of 31 yawn-inducing technical tax measures to some, but to me another item crossed off the most important "to do list" of this Parliament, tackling the crippling millstone of public debt inherited from the last Labour Government. I would like to do three things: to address some specific clauses; to review the need for presenting the Bill in this slightly unusual form; and to provide some context for the measure.

There are 33 clauses to be put on the statute book. In—I think—all cases, those measures were inherited from the previous Labour Government; there are almost no changes from our side of the House. All are worthy of review, but three are particularly relevant. The first is on the level of support provided to carers. Almost every week in surgeries around my constituency I hear about carers and the particular burdens put on adult carers. We heard just this morning that 25% of women in their 50s—not so far off for some of us Members—will be carers while also facing the challenges of continuing to be supportive parents for their teenage children. It is imperative that the measures that we put in place to relieve carers of unnecessary tax are carried through handsomely.

I echo the comments made by my hon. Friend the Member for Portsmouth North (Penny Mordaunt) about the importance of the first-year allowances for zero-emission goods vehicles—100% of first-year allowances will be deductible from April, continuing until April 2015. That demonstrates our Government's commitment to supporting incredibly valuable legislation that helps us in the overall attempt to "green up" the British economy.

[Claire Perry]

The Bill's measures, alluded to by my hon. Friend the Member for Mid Norfolk (George Freeman), on supporting enterprise and venture capital investment are critical to our plans to open Britain for business, although as part of that process we must continue to ensure that the banks actually lend. That matter is not for debate tonight, but we must return to it again and again as we proceed through the Parliament.

I turn to the odd split of Finance Bills, for which the Government have come under mild criticism. We had Finance Bill No. 1, which enacted a series of emergency Budget measures and now we have No. 2, which has been described as the mopping up of technical tax measures. May I review what was happening at the time of the election, and the need for emergency Budget measures? Our triple A credit rating was under threat, 10-year interest rates were spiking up at over 4% and starting to approach the interest rates of Italy, which has, I believe, had 62 Governments since the second world war. The credit default swap rating—I know that this all sounds like bankers' speak but it materially impacts on the level at which we can borrow—which is the measure of potential British default on our debts, was getting up to 90 basis points, up there with Portugal and Spain, which could not even dream of a triple A credit rating. A fire was burning in the heart of the British economy and the Labour Government had no plans to put it out. We did. The emergency Budget on 22 June, introduced within the 50-day limit that we set ourselves, restored confidence both internationally and domestically in the British economy.

Nadhim Zahawi (Stratford-on-Avon) (Con): Does my hon. Friend agree that, because of that emergency Budget, we are still able, although we are dealing with a massive deficit and borrowing £500 million a day, to borrow at half the rate of Ireland?

Claire Perry: As always, my hon. Friend makes an excellent point based on his substantial experience in the business world. During that process, we showed a clear commitment to doing the right thing for the British economy. We did not do things to maximise political headlines, of which the previous Government were guilty on an almost weekly basis.

What is the result of taking those bold actions? Let us talk numbers. The risk premium on the British economy has dropped by 30% since the election. Long-term interest rates—the 10-year interest rates—have dropped by more than 1%, meaning a 25% reduction in the cost of borrowing. These are not arcane measures thought up by a load of greedy bankers; they materially flow through to the borrowing costs of our constituents, both for mortgage and small business borrowers. The measures mean real growth for the British economy.

Why did we not consider tax measures in the first Finance Bill of this Parliament? The point made earlier on transparency and consultation is a valuable one. We said that we will be a Government who are far more transparent and that we will allow time for consultation.

Kelvin Hopkins: I am listening with interest to the hon. Lady. She said that the Government did not introduce tax measures, but what about the rise in VAT, which is a regressive tax? The introduction of a more progressive tax—for example, a tax on the rich or on big business—might have been more acceptable, but a regressive tax will deflate the economy by taking money out of the pockets of ordinary people, who spend most.

Claire Perry: I would debate regressive and progressive taxation and the question of income or expenditure with the hon. Gentleman, but I would like to make a little progress, if he will allow me, and focus specifically on the technical measures in the Bill.

The measures were published on 12 July, and I believe that we have had a number of responses to them, and we now feel that we have had adequate consultation to proceed. The House feels that we can cope with the split between two Finance Bills, but I would like Ministers to reassure us that we will revert to one Finance Bill as soon as possible, as the situation normalises. In that way, the whole finance package can be given proper scrutiny, and we will not have the kind of piecemeal debate that we are having today.

Finally, let me give some context to the measures. We have heard this before, but I make no apologies for saying it again: we have a record deficit. That is not the result of a financial shock that emerged like the creature from the swamp from America in 2007, but the result of a Government who spent more than they earned in taxes every year from 2002. I have listened with great interest to the representations made by Labour Members. They say, "We were investing. We weren't 'spending'; we were building schools and hospitals." They were building schools and hospitals, but they were borrowing money to do so. In the process, they put the bill on future generations of taxpayers. They talk about being progressive, but that is not a progressive thing to do with the British economy.

The previous Government bequeathed us interest costs of £120 million a day. That is paid largely to foreign Governments, so that they can build their schools and hospitals off the tax pounds that we collect from our taxpayers. There is nothing progressive about that.

What do we get when we discuss the measures? Do we get the intelligent, grown-up debate that the hon. Member for Wallasey (Ms Eagle), the shadow Chief Secretary, asked for? We certainly do not get intelligent, grown-up debate on how to cut the deficit from the few Labour Members in the Chamber. With a very few honourable exceptions, we get opposition to everything. That was amply demonstrated during today's statement by the Secretary of State for Work and Pensions. We now have the extraordinary situation of Labour Members, in opposing everything, wanting to tax the poorest families in this country to pay £1 billion in child credit to the richest 15% of families. I suggest that, by opposing everything, Labour Member get themselves into some extraordinary technical tangles.

Conservatives want to talk about deficit reduction, but Labour Members put up the ideological barricades, saying, "You're bad Tory cutters. You're bad Lib Dem ideologues." Behind the sound and fury, one question remains unanswered: what would Labour Members cut? Where would their £44 billion-worth of spending cuts fall? If they oppose everything in our deficit-reduction plans—the plans are supported by the International Monetary Fund, the OECD, the CBI, the Bank of England, Tony Blair, Peter Mandelson and everyone

but Labour's Front-Bench team—they weaken their status as a viable Opposition.

I shall finish if I may by quoting Labour's new shadow Chancellor, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson). No, this is not about his need for an economics primer; it relates to what he has said about the British people. He said:

"I think the reason why they took to the coalition is they thought, well, here's someone rolling their sleeves up and getting down to the job."

We are getting on with the job. The measures in this Bill are part of that, and I urge every hon. Member here tonight to vote for the Bill, as I shall be in the not-too-distant future.

9.20 pm

Charlie Elphicke (Dover) (Con): I wish to add my congratulations to my hon. Friend the Member for Skipton and Ripon (Julian Smith), who spoke in the most heartfelt way about his heartbreakingly lovely and beautiful constituency and in the most thoughtful and considered way about the impact of regulation on smaller businesses. I also wish to congratulate the shadow Chief Secretary to the Treasury on her elevation and the hon. Member for Nottingham East (Chris Leslie) on returning to the Front Bench, even if it is not the Front Bench that he would have preferred to be on—no doubt he is a patient man who will wait to have another go in due course.

This Budget, with this Finance Bill, is an essential piece of legislation. We have a country that is all but bust; its budget deficit is more than £150 billion and we face a structural deficit of £109 billion, according to the Office for Budget Responsibility. What does that tell us? It tells us that two thirds of the current extra borrowing each year has nothing to do with the recession and the global financial crisis, and has everything to do with the economic incompetence of the previous Government. The Leader of the Opposition urges that instead of adopting a fiscal position of raising taxes by one third and cutting spending by two thirds, we should make it 50:50. My hon. Friend the Member for West Suffolk (Matthew Hancock) has calculated that that would raise people's taxes by another £1,300. Such a massive bombshell would not be constructive in this difficult fiscal environment. The Government have taken difficult decisions on taxes, but the further tax rises that the Opposition urge on us are not at all responsible or helpful.

It is therefore right that the coalition is taking the economically responsible and sensible position to step right and stabilise our country and its finances, but we need to have growth and a growth agenda. It is helpful that corporation tax is being reduced to 24% over the next few years, and I hope that in time the Government will be able to go further and bring it down to about 19%. I hope that they will give serious and substantial consideration to a holding company regime such as exists in places such as the Netherlands and Luxembourg, so that the UK becomes a holding company international headquarters of the European time zone. The UK and London, rather than the continent itself, would thus become the jumping off point for Americans investing in Europe, which would provide a massive fiscal stimulus to the UK economy and would make it the financial headquarters centre and the international business centre of the European time zone. We should be very alive to the competitive fight that we have with our European friends, and seek to maximise our position and that of London as the international financial and business centre of this time zone.

We may get a fiscal bounce out of encouraging large businesses to move to this country, set up here and stay here—I note that WPP and Hiscox have left and moved overseas, as have others—but if we want long-term sustainable development and growth, and more jobs and money over the longer term, we need to consider smaller business, because it has a stronger sense of growth over the long term and it supplies the entrepreneurial flair that creates more jobs and money.

Kelvin Hopkins: I entirely accept the need to sustain small businesses, but small businesses live off two things: first, big businesses, which make orders for them; and, secondly, demand in the economy, as we go for meals out, get building alterations done to our homes and so on. If people are not spending because they are frightened of losing their jobs and having their pensions and benefits cut, that damages small businesses at least as much as it does big businesses.

Charlie Elphicke: I would agree with the hon. Gentleman that confidence plays a massive role in our economy—and nowhere more so than with our smaller businesses. The confidence that we have seen since the election seems to be feeding through to the growth figures, which seem to suggest that we are coming out of the recession faster than anyone thought we would. Personally, I think we should be more positive about the prospects for the economy and the prospects for faster growth over the medium term, given the nature of the stabilisation and the confidence that the coalition Government have provided to the country. However, that does not mean that there is not more we can do for small businesses. We can and must, as my hon. Friend the Member for Devizes (Claire Perry) and others have said, have more liquidity for the small business sector. It has been too locked up in banks preparing their balance sheets—we need more lending.

Mary Macleod (Brentford and Isleworth) (Con): Does my hon. Friend agree that a reduction in corporation tax is a way to encourage more small businesses and to keep big business in the United Kingdom, and that it will help the overall long-term growth of our economy?

Charlie Elphicke: Absolutely, yes. The previous Government were planning to increase corporation tax on smaller businesses and to do nothing for larger businesses. The reduction in corporation tax that we are seeing across the board is an incredibly positive move by the coalition Government that will help to create more jobs and money and help to encourage businesses—international businesses in particular—to set up in the UK.

We need more liquidity for smaller businesses, but we also need tax reform for smaller businesses. Earlier today, I met the Quoted Companies Alliance, which represents smaller quoted companies. It put to me the suggestion that we should perhaps think harder about the enterprise investment scheme and venture capital trust regimes. They are limited at about 50 employees, but EU state aid approval would be allowable for fewer than 250 employees under the EU SME definition. I hope that Ministers will consider that in due course and

[Charlie Elphicke]

in further Finance Bills. There is a negative effect on businesses because they dare not grow over 50 employees. That is quite important.

The QCA says that the connected company or connected person regime should be considered, because business angels could be effective and useful directors and advisers to those businesses. The alliance also says that it would be better to have lighter-touch regulation. It would concede the income tax relief if it would help to keep the capital gains tax relief and increase the limits and thresholds available in the EIS and VCT regimes. I hope that Ministers will consider that and will consider the technical detail that will help to improve things for the smaller business sector.

On CGT, the alliance welcomes the entrepreneurs' relief—it says that that is great—but asks why it lasts for only 12 months. Does that not encourage speculators? Should it not be for three or four years, to encourage long-term investment? Should it be restricted just to those who have 5% and are employees or should it perhaps involve those who have 5% or who are employees, to widen the investment base for smaller businesses that benefit from entrepreneurs' relief? I hope that Ministers will also consider reinvestment relief when entrepreneurs come up with wonderful ideas, sell their businesses and reinvest. Perhaps they should be encouraged to do so with a wider base of reinvestment relief, to lock in more capital and investment, which will create more jobs and money over the longer term. I recognise that these are ideas to be developed in further Finance Bills, but I hope that Ministers and the Government will give them due consideration as time passes.

The other question the alliance raises is why we do not allow AIM shares to be put into individual savings accounts. That seems to make little sense. The AIM market has changed massively since the late '90s and it would perhaps be constructive to allow AIM company shares to be in ISAs so as to widen the investment pool and widen the availability of capital to businesses that are typically smaller in nature and faster growing.

Finally, although the London stock exchange has said for a long time that we should have got rid of the stamp duty reserve tax, which is difficult to afford in the current circumstances, the QCA asks the interesting question: what would happen if we allowed getting rid of SDRT outside the FTSE 350 for smaller companies, to help to make their shares more liquid? Trading volumes would be lower and it might be more affordable. I hope that that is something to which Ministers will give due consideration and thought in future Finance Bills.

The most important thing for our country and our countrymen is to have more jobs and more money. I hope that over time we will develop a further growth agenda and deepen the one that we have already put forward, so that we can have faster structural trend growth and the UK can become the envy of not just our friends in the European Union but the world as a whole.

9.30 pm

Chris Leslie (Nottingham East) (Lab/Co-op): As the astute observer may have noticed by now, the Bill is a largely inherited set of technical measures, with the general election having interrupted the conventional timetable and truncated the previous Administration's Bill, which would have introduced many of the same provisions. No matter; we have had a successful and thorough debate. The hon. Member for Bristol West (Stephen Williams) noted, I think sarcastically, that he was looking forward to the fun and delights of Committee, but we have covered the Bill's territory well.

I pay tribute to the hon. Member for Skipton and Ripon (Julian Smith) for his very good-quality maiden speech. He made the case for the small business community in his constituency strongly and passionately. It is a fine and beautiful constituency, and I was born near or within it at Airedale hospital, so it has a special place in my heart for that reason if for no other.

The hon. Member for North East Somerset (Jacob Rees-Mogg), who is no longer in his place, made a series of interesting observations about long cigarettes, the weight of aircraft and the creeping Europeanisation of the world in general, and I look forward to his pearls of wisdom in Committee. The hon. Member for Watford (Richard Harrington) rightly noted the measures in clause 14 on film tax credit arrangements, and the hon. Member for Portsmouth North (Penny Mordaunt) talked eloquently about the important changes in clause 31 affecting asbestos compensation settlements.

I agreed very much with the hon. Member for Devizes (Claire Perry)—that may come as a shock to her—about the provisions for shared lives carers. Being a carer is a big commitment and requires a lot of patience, understanding and hard work, but it offers adults who need support owing to their health or disability a valuable opportunity to live with people who can give them the help that they need, share their hobbies and interests and so on. We, too, therefore welcome the simplification of the tax treatment of foster carers and shared lives carers so that their costs and expenses are recognised more fairly in the tax system.

The hon. Member for Portsmouth North mentioned the clauses on penalties for failures to make tax returns and pay taxes. We clearly need a regime that is tough on evasion and that incentivises prompt payment, but we also need to ensure fairness in the system so that entirely innocent people and companies are not caught in an unfair penalty cycle. As the Institute of Chartered Accountants has noted, we need to ensure that we monitor that regime carefully, especially for very small businesses that do not necessarily have in-house accountants or bookkeepers.

A number of other measures were mentioned in the debate. The hon. Member for Dundee East (Stewart Hosie) talked about the safeguards for investors in venture capital schemes and the insertion in the rules of a financial health requirement, to prevent tax reliefs from falling into "firms in difficulty". That raises a number of questions that we will want to explore further in Committee.

The hon. Member for Macclesfield (David Rutley) rightly highlighted the clause about the deduction of income tax at source. It is a positive thing that there will be a new online mechanism for customers to lodge the fact that they are returning their income tax deductions, but that prompts the question of how HMRC enables access for customers through downloadable information

and whether customers can identify their tax office correctly. Again, we will want to pursue those points in Committee.

Very few Members noted the Bill's provisions on the automatic enrolment of employees in pension schemes from 2012, which are technical measures to facilitate the new pension scheme arrangements. That national employment savings trust is incredibly important—something that the previous Government rightly put in place for all workers between the age of 22 and retirement age earning more than £5,000 a year, unless they were already in a pension scheme. I particularly want to press the Minister on that matter, because I understand that the consultation process said that by 30 September we would know the Government's views on that automatic enrolment arrangement. We have passed that point, and I do not think that we have had any information on the issue.

It is a curious and fragmented process that we have entered into with this chopping and changing between Finance Bills. The cynic in me detects the possibility of some highly tactical games being played by Treasury Ministers. Perhaps I am wrong, but their approach to finance legislation, as my hon. Friend the Member for Wallasey (Ms Eagle) suggested earlier, seemed to create a toxic, bad Bill—perhaps the one that was pushed through before the summer recess, possibly without the Liberal Democrats quite noticing how bad it was. Other toxic, bad Bills are to come in due course, such as those on scrapping the health in pregnancy grant, the savings gateway and the child trust fund arrangements. It is interesting to see how Ministers are packaging up these measures. Machiavelli may have some observations on that particular tactical game.

As my hon. Friend also mentioned in her opening speech, a number of measures are conspicuous by their absence from the Bill. My hon. Friends the Members for Edinburgh East (Sheila Gilmore) and for Islwyn (Chris Evans) mentioned the video games tax relief arrangements for that particular industry, which many firms in my Nottingham constituency have also been urging and expecting. They were disappointed when the Government withdrew them. My hon. Friend the Member for Bassetlaw (John Mann) referred to the investment allowances to help businesses to grow and ensure that they invest in plant, infrastructure and capacity to enable them to prosper. I might have disagreed with him slightly in his comments on VAT, but he made a number of points that are worth deeper thought and observation.

The context of the Bill says everything. Although the measure is wide ranging, it is absolutely a missed opportunity—perhaps the calm before the storm of the spending review. We know that many failings arise from the legislation, basically because of those aspects that are not in it. Insufficient steps are being taken to clamp down on tax evasion, and serious doubts are now growing, as my hon. Friend the Member for Wirral South (Alison McGovern) mentioned, about the capabilities of a depleted HMRC, should its budget be unfairly constrained.

The Bill is particularly a missed opportunity for legislation to promote growth and generate revenues, and that is what it will be remembered for. We should look at the growth deniers on the other side of the House. My hon. Friends the Members for Scunthorpe (Nic Dakin), for Sefton Central (Bill Esterson) and for Islwyn all mentioned TINA—there is no alternative, as the former Prime Minister, Lady Thatcher, described it—and that notion has infected those on the Government Benches. They are doing a good job in sticking to their message and trying to ram their points home, but it is becoming a little obvious that the script is getting somewhat old.

I was impressed in particular by the comments of the hon. Member for Boston and Skegness (Mark Simmonds)—the ideology that he has formulated of the expansionary fiscal consolidation strategy and the theory that he has announced that cuts can stimulate economic activity. His comments were mirrored to a certain extent by those of the hon. Member for Mid Norfolk (George Freeman). We need to hear much more from the hon. Member for Boston and Skegness on that strategy. It is clear to me that the Conservative party is focusing its energies exclusively on this ideological crusade in cutting investment, rather than looking equally at the other side of the balance sheet—rebuilding revenues—which surely must be attended to.

Everybody knows that the deficit position was largely caused by reduced revenues following the credit crunch and the banking crisis, and growth is the best antidote to that. It is quite clear also that the Government see public services and economic regeneration as somehow negative aspects—a glass half empty—whereas Labour Members see growth, public services and investment in infrastructure as a glass half full and an opportunity to expand. Through that virtuous cycle, we will repair the public sector balance sheet.

My hon. Friend the Member for Edinburgh East asked whether we wanted to burden future generations with a legacy of high unemployment and low growth, and that is absolutely the right question to pose to Government Members.

It is important to look at the wider context in which the Bill was presented, but we can already see, as the news develops, that growth is fragile and that confidence is wobbling. I think that my hon. Friend the Member for Wallasey mentioned a report in *The Times* that showed that finance directors' confidence is at its lowest level in 18 months, and 34% of those surveyed in a Deloitte poll said that they expected the economy to go into reverse. We sincerely hope that that does not happen. The hon. Member for Dover (Charlie Elphicke) said that confidence is a critical ingredient that plays a massive role in the economy, and it is a great shame that we can already see the steps taken by the Government eroding some of that confidence. That has its roots in the decisions made in the Budget before the recess.

The downgrading by the Office for Budget Responsibility of the forecast for 2011 from 2.6% to 2.3% suggests a £5 billion loss in receipts because of the smothering of economic activity. That is compounded by the many anti-growth policies pursued, and messages given, by the Government parties. Tonight, hon. Members have talked about regional development agencies being scrapped and the Sheffield Forgemasters loan not being granted.

There are a number of ways in which the economy is at risk. It is important that, throughout the passage of the Bill, we explore the Government's strategy and what more can be done to ensure that we pursue a pro-growth strategy. We might not divide the House tonight, but we put the Government on notice that we expect and need

[Chris Leslie]

stronger pro-growth measures and legislation in future. We will scrutinise the detail of the Bill closely in Committee. I look forward to hearing what the Minister has to say.

9.41 pm

The Economic Secretary to the Treasury (Justine Greening): I welcome the new shadow Treasury team to their roles. Obviously, I have had experience of debating with the hon. Member for Wallasey (Ms Eagle), the new shadow Chief Secretary to the Treasury. I look forward to continuing those debates, and to debating with the new members of the team.

We have had an interesting and wide-ranging debate. I pay tribute to the maiden speech by my hon. Friend the Member for Skipton and Ripon (Julian Smith), who follows in the footsteps of a fantastic predecessor. He described a constituency that I know, and he is right to say that it is absolutely beautiful. He is very lucky to represent it, and I am sure that he will do a great job in his new role.

Let me turn to the Finance (No. 2) Bill. Obviously, its clauses have a lower profile than many of the measures announced in the emergency Budget, but they are nevertheless important for the smooth running of the tax system. That is why the previous Government were also keen to see many of the measures put on to the statute book.

Let us be clear about why we are debating the Bill in the autumn, and not earlier in the year. As we have heard from my hon. Friends the Members for Mid Norfolk (George Freeman) and for Dover (Charlie Elphicke), and from many others, when the coalition Government came to power, we faced an economic challenge of an unprecedented scale. In fact, urgent action was needed, and we responded with the emergency Budget. The shadow Chief Secretary to the Treasury and the hon. Member for Nottingham East (Chris Leslie), who responded to the debate, seem to have developed some form of amnesia when it comes to the content of the emergency Budget and why it was required. It is impossible to exaggerate the seriousness of the situation that we inherited, or the risks to Britain if we had continued on the course that they proposed. There were almost 2.5 million people unemployed; yet again, a Labour Government left office with unemployment higher than when they came in. We inherited the largest budget deficit in the G20, and a fiscal legacy that had us spending £4 for every £3 that we raised in taxation.

We had to take action to restore the credibility of the UK economy, to allow the recovery to take hold, and to ensure that future growth was sustainable and not driven by an ever-growing burden of debt. That is why we introduced a short Finance Bill in the summer—to maintain economic stability, calm market fears and put in place a credible plan to deal with the record deficit. That plan is supported by the International Monetary Fund, the OECD, the CBI, the Bank of England and countless other organisations that clearly have a greater grasp of the deep dangers that face our economy than the Labour party does.

There was an opportunity today for the Opposition to start participating in the debate on the most important challenge facing our country—how to get our economy back on track. I was interested to hear whether they have a plan, now that they have a new leader. The answer is that they do not. The debate touched briefly on the subject of tax avoidance, but the Opposition have developed a brand new form of tax avoidance. They try to avoid talking about tax and spend altogether or having any plan to deal with it.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): In my constituency over the past 13 years 17 new high schools and more than 50 new primary schools have been built. Does the hon. Lady condemn that investment?

Justine Greening: The hon. Gentleman should direct his question at his colleagues, who had planned the capital cuts that he no doubt hates so much. If he comes and looks at other schools, he will see that his Government left schools such as my own Elliott school in Putney in an appalling state. I do not think he has an answer to that.

We heard a number of contributions from Opposition Members. The hon. Member for Wallasey offered no alternative to the plan set out by the Government. The hon. Member for Scunthorpe (Nic Dakin) spoke about scrapping the package that we presented in the emergency Budget to support business. We heard from the hon. Member for Wirral South (Alison McGovern), who apparently welcomed the Bill and wanted investment, but was against the cuts in corporation tax that we introduced. We heard from the hon. Members for Islwyn (Chris Evans), for Sefton Central (Bill Esterson), for Edinburgh East (Sheila Gilmore), and for Bassetlaw (John Mann) who were all against taking action to sort out the economy. At least the hon. Member for Bassetlaw acknowledged that his party has a gaping chasm in its economic policy. Until the Opposition fill that, they will have no credibility.

John Mann: I hope the hon. Lady did not miss the other part of my contribution, which was intended to expose the gaping chasm in the logic and the economics of the Treasury proposals.

Justine Greening: I decided to pick out the piece in which the hon. Gentleman talked about his party, which he obviously supports. Our plans are all about tackling the deficit. Funding that debt will cost our economy £43 billion this year. That means that every taxpayer in Britain will pay almost £1,400 of income tax to service that debt interest. The hon. Gentleman might consider that a good use of taxpayers' money rather than spending it on front-line services. I do not. Unless we take the difficult but fair decisions that we are taking now to sort out the deficit, we will not be in a position to undertake sustainable funding of our public services again. That is why the measures that we are taking are so important.

Many of the clauses in the Bill were brought forward by the previous Government. We consulted stakeholders over the summer because we were keen to make sure that we have a more open and considered approach for our tax legislation than we have had in the past. Many respondents have been clear about how welcome that approach is. It has made the Bill more transparent, more robust and better focused. It was a pleasure to hear from the hon. Member for Bristol West (Stephen Williams) who, I believe, is a fellow chartered accountant and could therefore appreciate the care that has been taken with the Bill.

Let me pick up on some of the technical questions raised by my hon. Friend the Member for Boston and Skegness (Mark Simmonds) and the hon. Member for Dundee East (Stewart Hosie). I am pleased that my hon. Friend welcomes the measure on REITs in the Bill. I will write to him on some of the more specific issues that he raised. He should recognise that the measure in the Bill is symptomatic of the fact that we see REITs as a positive vehicle, and we will see what we can do to support them further.

The hon. Member for Dundee East raised so many issues so quickly that I barely had time to scribble them all down. I hope we will return to many of them in Committee.

The other thing that foxed me was that the hon. Gentleman went in reverse order, starting at clause 25 and moving on to clauses 7 and 5. But, he asked some broad questions, and on the corporation tax and petroleum revenue tax changes he was right to say that the measures are about creating a more harmonised system. He raised many specific issues, and we can go into more detail about them, including clause 7, in Committee. On clause 5, he raised a number of good questions about guidance, and we are looking to revise that. We are talking to stakeholders and hearing about the issues that they want clarified; indeed, he mentioned some of them in his speech. His points were well made, and I look forward to continuing the debate in Committee.

There are further measures in the Bill to support the private sector and contribute to more balanced growth in the UK. We heard from my hon. Friends the Members for Northampton South (Mr Binley), for Dover, for Watford (Richard Harrington), for Elmet and Rothwell (Alec Shelbrooke) and for Macclesfield (David Rutley) about how important it is that our Government take steps to support business so that business in turn can create jobs. We must not forget that without the steps that we took in our emergency Budget, small companies would face a small companies corporation tax rise, not one that is going to fall, and a national insurance rise—the jobs tax. Instead, they can look forward to enjoying a reduction in national insurance liability, so we are taking the steps that we need to take.

Mr Binley: What will my hon. Friend do, therefore, to ensure that banks provide the money to generate the growth that small businesses will need to create if the Budget strategy is going to work?

Justine Greening: My hon. Friend makes a very good point, and I am sure that he is aware of how clause 5 ensures that state aid clearance of the enterprise investment scheme and venture capital trusts takes place. In 2007-08, the enterprise investment scheme supported investment of £7 billion in more than 15,000 companies, and we want to see that enhanced. We are cutting the small profits rate of corporation tax, and to follow up my hon. Friend's question, I note that the Government plan to create a growth capital fund, which we think will provide a further £237 million of enterprise capital funds, so we are very conscious of the issues that he raises. We are in continuing discussions with the banking industry to ensure that credit flows to the companies that so badly need it—for the very reasons that he so eloquently set out in his contribution to the debate.

The Bill is not just about supporting business, although that is a key part of it. As my hon. Friends the Members for Portsmouth North (Penny Mordaunt) and for Devizes (Claire Perry) pointed out, it includes measures that will support some of the most vulnerable people in our society. I pay tribute to my hon. Friend the Member for Portsmouth North, who made an excellent contribution on the measure—I think it is clause 31—to help trusts that have been set up to compensate asbestos victims. There are further measures in the Bill not only to support people who are shared lives carers and, indeed, carers more generally, but to support through the tax system those people who act as guardians or look after children under a residence order. My hon. Friend the Member for Devizes, who gave a fantastic speech, too, talked about those measures for carers. They are badly needed and will, I hope, have a good impact.

To wrap up, the Bill contains many necessary measures that will ease the burdens on business and help the most vulnerable in our society. Owing to the need for urgent action before the summer, there was simply no time to consider them when the Finance (No.2) Act 2010 went through the House. However, I know that many Members from all parts of the House will want to join me in Committee for more detailed scrutiny of the Bill's clauses.

This Bill, while unglamorous in comparison with its predecessors, is important. It represents clear progress, it is considered in its approach, and I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63.)

FINANCE (NO.2) BILL

Ordered,

That the Finance (No.2) Bill Committee shall have leave to sit twice on the first day on which it meets.—*(Bill Wiggin.)*

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CONSTITUTIONAL LAW

That the draft Scottish Parliament (Constituencies and Regions) Order 2010, which was laid before this House on 1 July, be approved.—*(Bill Wiggin.)*

Question agreed to.

Postal Services (Scotland)

Motion made, and Question proposed, That this House do now adjourn.—*(Bill Wiggin.)*

9.55 pm

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Royal Mail—*[Interruption.]*

Mr Speaker: I am grateful to the hon. Gentleman for his forbearance. If Members leaving the Chamber can please do so quickly and quietly, we can proceed to an orderly Adjournment debate. I, for one, certainly wish to hear Mr Gregg McClymont.

Gregg McClymont: Thank you, Mr Speaker.

Royal Mail is a vital public service in Scotland. With 1,400 branches, the Post Office is Scotland's largest retail chain. According to Consumer Focus Scotland, its services are used by 95% of the population. Scottish business, too, depends on the service. The Federation of Small Businesses estimates that one in six small to medium-sized enterprises relies exclusively on Royal Mail.

The Minister will be aware of the serious risks involved in privatising a Government-owned industry that provides a popular public service. Get it wrong and the Government of the day preside over a carve-up: executive pay hikes, job losses and the curtailment of services to the detriment of consumers. That is why I am seeking clarification of the Government's plans tonight. I am keen to hear about how the Minister intends to protect the existing level of service provided by Royal Mail and the Post Office in Scotland.

The Government propose to split postal delivery and the management of the post offices—Royal Mail doing the former, and Post Office Ltd the latter. Both functions currently reside in Royal Mail Group, which has an obligation to provide a certain level of service to the public. That is the universal service obligation. These obligations are contained in the licence granted to Royal Mail Group. The licence requires that Royal Mail provide a certain number of deliveries at a certain time to homes and businesses and that Post Office Ltd retains post offices in all Scottish communities.

Royal Mail is also currently obliged to take the provision of all post office services from Post Office Ltd. That is called the inter-business agreement. That agreement, alongside a taxpayer subsidy of approximately £150 million per year, enables Post Office Ltd to fund its entire network of 1,400 post offices in Scotland. If neither of those conditions existed—the inter-business agreement or the public subsidy—the number of post offices would fall sharply, especially in rural parts of Scotland. The danger is real, for the Business Secretary has said that the Government do not wish to retain a stake in Royal Mail. That means full privatisation, with Royal Mail managers incentivised to seek maximum profitability. In these circumstances, the importance of postal services as a public service to the nation cannot be their priority. I say to the Minister that there is a strong memory throughout this country of former public service managers making unmerited fortunes at the expense of the public following previous privatisations in energy and in rail. Indeed, this tension between managerial freedom and the preservation of public services always emerges when utilities are privatised.

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(Stephen Crabb.)*

Gregg McClymont: The response of policymakers is the universal service obligation, which specifies the services that the privatised entity is legally obliged to provide.

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): I congratulate my hon. Friend on securing this debate. As he may know, last month reports surfaced of a leaked letter from the Business Secretary to the Chancellor hinting that flexibility may be built into the Royal Mail Bill to scale back the universal service obligation from six days a week to a five-days-a-week service. Such a move would set a very dangerous and worrying precedent. Will my hon. Friend join me in calling on the Minister to give a categorical assurance that under no circumstance will the Government allow delivery services to be scaled back in West Dunbartonshire and, indeed, across Scotland?

Gregg McClymont: My hon. Friend raises a very good point, and I am sure that the Minister will wish to address it.

An under-specified universal service obligation and an inadequate subsidy, where that is necessary, mean that there will not be a good postal service. That is currently the situation in telecoms in respect of the provision of fibre-optic broadband to rural areas. A universal service obligation is contained in the Royal Mail Group licence. The number of letter and parcel deliveries is laid down in statute and in the Royal Mail Group licence. However—this is crucial—the rules regarding the number of post offices are much less tightly drawn. There is very little in statute and a limited number of criteria in the licence that Royal Mail is obliged to fulfil.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): Does my hon. Friend agree that far from considering cutting the number of post offices, we should be looking to ensure that every community has access to the post office service? Can he, or the Minister, say what plans there are to ensure that every community has that access, particularly communities where new housing developments and so on are being generated?

Gregg McClymont: My hon. Friend raises a very good point.

There is very little in statute and a limited number of criteria in the licence that Royal Mail is obliged to fulfil in terms of post office outlet numbers. That did not matter in the past because outside the formal rules the Government, as owner, could and did order Post Office Ltd to maintain the current number of post offices. However, it will matter in future. The statutory or licence conditions, if any, imposed on Royal Mail will determine the future of up to 4,000 of the existing 11,500 post offices.

Margaret Curran (Glasgow East) (Lab): I, too, congratulate my hon. Friend on securing this debate. As has been evident so far, post offices are highly valued by the British public. Does he agree that instead of post offices facing a cuts strategy it would be much better if

they were facing a growth strategy? Surely as part of that, the Government could, for example, insist that Royal Bank of Scotland, a state-owned bank, signed up to the post office universal banking counter service. In fact, in these days, we do have opportunities to grow post offices. What is his view on that?

Gregg McClymont: My hon. Friend makes a good point. I am sure that the Under-Secretary will want to address a future strategy for growing the Post Office, and not letting it fall into decline.

I said that 4,000 post offices in the UK are at risk. Individuals with industry experience suggest that between 2,500 and 4,000 post offices would be at risk if the existing licence criteria remain unchanged. Scotland is likely to be at greater risk given its disproportionately large number of rural post offices. That is why I say that maintaining the current level of public service means not only retaining existing conditions for Royal Mail's licence, but adding new criteria. I would be grateful if the Under-Secretary clarified which obligations will be maintained, and to which body they will apply, if Royal Mail is to be privatised.

I also hope that the Under-Secretary will agree that the scope of the universal service obligation must be a decision for Parliament, and not delegated to the regulator or to an individual Minister, even one as capable as the Under-Secretary. I say that as a matter of both pragmatism and principle: pragmatism because a Minister or the regulator would be subject to enormous pressure from the privatised entity to reduce the required service; principle because, if there is a will to amend the universal service obligation, it must be done transparently and publicly by Parliament. My constituents and those of my hon. Friends care deeply about the service that Royal Mail and the Post Office provide. They demand no less.

Moving from the universal service obligation to the future of the inter-business agreement, what happens if the current exclusive agreement between Royal Mail and Post Office Ltd is ended? There is a danger that the Post Office will be undercut unfairly by competitors. For example, a supermarket chain could say to Royal Mail, "We can provide post offices more cheaply than Post Office Ltd. We will include no loss-making outlets." To avoid such an outcome, there needs to be a level playing field. Fair competition would depend on a strictly written set of licence criteria. Any business that wished to compete for supplying post offices to Royal Mail must fulfil exactly the same objective licence criteria on a national basis as Post Office Ltd currently does. The contract for providing post offices must be set on just such an aggregated basis, otherwise bidders will cherry-pick the profitable post office locations.

The Government have given a welcome guarantee that Post Office Ltd will remain in public ownership when Royal Mail Group is broken up, but, without a guaranteed revenue stream from Royal Mail, many branches will be at risk from public spending cuts. I fear that some of the Under-Secretary's colleagues perceive privatisation simply as a way to generate a commercial incentive for reducing the demand for post offices, to which the Government will then acquiesce. Can the Under-Secretary confirm whether the public subsidy to Post Office Ltd will be maintained? I am sure that we would all like an answer to that question.

I urge the Under-Secretary to adopt measures that protect current postal services to the public. For deliveries, that means maintaining the current number. For post offices, the Government have two choices. They could adopt an exclusive supply arrangement between a privatised Royal Mail and a publicly owned Post Office, or they could set the universal service obligation criteria at a level that provides for maintaining the current number of post offices. Long-term protection of Scotland's postal services means giving Parliament the power to agree the level of service and any subsequent changes to it.

10.9 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I thank the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Gregg McClymont) for giving me this opportunity to begin a debate that we will have over the next few weeks and months about Royal Mail and the Post Office. If I am not able to answer all his questions tonight, he will understand why, and I am sure that he knows that all his questions will be answered over the weeks and months to come. I hope that he will like many of the answers that he hears.

Let me start by saying that I am absolutely committed to the universal postal service. As Minister for both postal services and consumer affairs, nobody is more keenly aware than I am of the critical importance of postal services to our communities, small businesses and the country at large. That is why I will introduce a postal services Bill in this Session to ensure that the universal postal service remains one that we can rely on for the future and that will safeguard those two separate but highly valued businesses, Royal Mail and the Post Office.

The hon. Gentleman raised concerns about the post office network in Scotland. The Government fully recognise the important social and economic role played by post offices in communities throughout the UK and particularly in rural and deprived urban areas, whether in Scotland or elsewhere. More than 99% of the population live within 3 miles of a post office and 93% within 1 mile, and it serves 20 million customers per week. It is a fantastic network.

We remain wholly committed to maintaining this nationwide network of post offices. Let me be clear about what that means: we will not repeat the mass closure programmes of the previous Government, which saw around 5,000 post offices close across the UK, including 600 in Scotland and six in the hon. Gentleman's constituency. Labour's closure programmes tore the heart out of rural communities up and down the UK: I opposed them in opposition and I have no intention of repeating them in government. Instead, we have protected £180 million of Government funding for the Post Office in 2011-12—before the spending review has been announced—to maintain the network at around its current size, with further funding for future years to be finalised within the spending review and announced shortly.

The hon. Gentleman raised a point about the future relationship between Royal Mail and the Post Office. Our starting point must be to recognise that the Post Office and Royal Mail are different businesses facing

[Mr Edward Davey]

different challenges. This Government are committed to safeguarding both, but our approach must reflect those differences. It is a commercial reality. I have already made it clear that the Post Office will not be for sale—as the hon. Gentleman recognised—so the two businesses will need to have a different relationship in the future. This should be seen as a real opportunity for the Post Office: separation will give its management greater freedom to focus on growing its revenue and getting the most out of its branch network.

There should be no doubt that Post Office Ltd and Royal Mail will continue to work closely together in the future. Post offices carried out more than 3 billion mail transactions for Royal Mail last year, and the two are closely entwined in the public mind. These companies need each other, and that will continue to be the case after separation.

Our reforms will not end there. We want to see a sustainable network offering a wider range of financial and Government services to boost revenues for local sub-postmasters and the network. We are working intensively across government to examine the scope for the Post Office to act as a "front office" for the Government, where local post offices are the natural place for citizens to access face-to-face Government services, and where the Post Office has an important role in supporting e-government, for example helping people to access online Government services through their local branches.

We are also considering the case for a Post Office bank. We must remember that the Post Office already offers a wide range of financial services and is increasingly taking on many features of a bank, but I want to go further and to see a situation in which 100% of current accounts are accessible at post offices and 100% of people know about that. Of course, those are ultimately commercial decisions for the banks involved. However, as a Government, we have a role to play in encouraging that process and explaining to the banks how important we think it is. Hon. Members can rest assured that we are doing that.

There are interesting opportunities, too, in the growing trend of community groups, charities and local people getting involved in the running of their local post offices. That is what the big society is all about: Government getting out of the way and letting the people who know best have a real say in running their services. We are fully behind this trend and are open to all ideas that can contribute to a vibrant and sustainable post office network on which communities can rely.

The hon. Gentleman also raised concerns about how the universal postal service must not be downgraded as a result of any Government action. Let me start by explaining why the Government are taking action. In 2008, the hon. Gentleman's own party commissioned Richard Hooper to lead an independent review of the postal services sector, seeking recommendations to sustain the universal postal service, so that many of our small businesses and communities could continue to rely on them. However, those recommendations were never implemented, for reasons that I will not go into because I wish to spare the hon. Gentleman the embarrassment. However, for the past two years Royal Mail has continued to suffer under the perfect storm of a declining market in letters, a volatile and crippling pension deficit, and frankly outdated working practices, which continue to cause problems despite the welcome modernisation agreement.

In June this year, my right hon. Friend the Business Secretary asked Richard Hooper to update his report. His latest diagnosis, published in September, is stark, and I recommend that hon. and right hon. Members read the report. Royal Mail's financial position is worse now than it was in 2008. The decline in the letters market has been faster and deeper than predicted. In the UK, we now send 13 million fewer items a day than we did just five years ago. The trend is set to continue with worldwide volumes predicted to fall by 25% to 40% over the next five years alone. They dropped by 7% in the UK last year, and by over 12% in the United States. This is a serious issue that we have to tackle.

Fortunately, it is not all bad news. The online revolution has opened up a series of opportunities—we all know about parcels and packets—but as Richard Hooper has made clear, they do not offset the decline. If we are to seize those opportunities and make the best of them, Royal Mail urgently needs more modernisation and investment, yet modernisation takes capital and commercial disciplines that I am afraid Royal Mail simply does not have at the moment. Let us remember that the taxpayer has made £1.2 billion available to Royal Mail since 2007 to support the current modernisation programme.

Frankly, if we are serious about dealing with the problems, we will have to modernise and invest much more. So where will the money come from? I am afraid that economic times have changed. There is enormous pressure, as every Member must realise, on the public purse. We simply cannot expect taxpayers to continue to provide the ongoing investment that Royal Mail needs when it could be supplied by the private sector, as has been shown with Deutsche Post in Germany, which has seen massive investment since it was first floated in 2001. This is not just a question of cash: Royal Mail needs private sector disciplines and the freedom from Government intervention to innovate and take the right commercial decisions to secure its future.

I say to the hon. Gentleman that we have a choice: to do nothing and allow Royal Mail to slip into a slow decline, requiring ever-increasing handouts from the taxpayer; or to take action, which I will come to.

Margaret Curran: The Minister referred to working practices that he believes are causing difficulties. Will he outline what those practices are, and say how the Government intend to change them?

Mr Davey: I refer the hon. Lady to the agreement reached by the Communication Workers Union and Royal Mail recently, which looks at significant reforms to working practices. For example, I strongly support the fact that the CWU has agreed to a reduction in the number of sorting offices in order to reduce costs. That kind of change is very welcome.

Gregg McClymont: I have been listening intently to what the Minister has said and, as far as I can tell, he is replying to a speech that I did not make. I am asking whether the licence criteria, as currently constituted, protect the 11,500 post offices in the UK and the 1,400 post offices in Scotland. Unless I am mistaken, he has not addressed that point yet, and I hope that he will be able to do so.

Mr Davey: I thought that I had made it clear that, under this Government we will see no major programme of closures as we did under the previous Government. The hon. Gentleman will know the number of post offices that closed in his constituency. There were six, and I can list them. Greenfaulds, Queenzieburn, Banton, Rosebank, Waterside and Kildrum all closed in his constituency under the previous Government, and we will not see such a closure programme again.

Gregg McClymont *rose—*

Mr Davey: Does the hon. Gentleman wish to intervene? I hope that he is going to apologise for those closures.

Gregg McClymont: I understand the determination in a political culture to ask people to apologise for things in which they played no role. I do not intend to go down that route. The Minister has given an undertaking to protect the level of Post Office services, but he has not explained how he intends to do it, beyond making some rather vague allusions to the path that the Post Office might go down in the future. I say again that, in my estimation, the licence criteria as currently written can be met only by 7,500 post offices, and I am waiting with great interest to hear something specific about how the 4,000 post offices are to be maintained.

Mr Davey: Over the next few weeks and months the hon. Gentleman will hear a huge amount about our proposals to ensure that we can make good on our pledge not to repeat Labour's mass closure programme. I have already mentioned the extra revenues—whether from Government services or financial services—that will form a critical part of delivering on that. Frankly, it is not through regulation that we will save the post office network; it is by getting business through the network so that sub-postmasters can have a decent income and post offices can be financially viable. That is the way to do it.

Cathy Jamieson: Given that the Minister believes that a number of the previous post office closures were wrong, what provision will he make for the communities that wish their post offices to be reopened?

Mr Davey: As the hon. Lady will see in the weeks ahead, we want to empower communities and to ensure that the post office network is financially viable for the long term. She will have to wait until she hears this Government's full policy statement, but I hope that she will support it. We saw 5,000 post offices close across the UK under the previous Government, and we will not see a repeat of that. Those closures left my constituents—and, no doubt, those of the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East—far worse off than they were before.

I should like to continue, as I want to deal with an issue that the hon. Gentleman spent some time on. This Government have made a clear choice. We will take action to safeguard Royal Mail and its universal service—the six-day, one-price-goes-anywhere service that is so essential to consumers, small businesses and rural communities. I recognise the hon. Gentleman's particular interest in this matter, as that service is highly valued in Scotland, as it is in other extensive rural and remote areas of the UK. He was right to make that point.

Protecting the universal service is our primary objective. That means giving Royal Mail the access to the private sector capital and disciplines that it needs to modernise, innovate and thrive in the modern communications market; it means putting in place a regulatory regime that recognises that post is now competing in a wider communications market; it means giving the regulator an increased focus on safeguarding the universal service, regardless of who owns Royal Mail; and it means making sure that postmen and women have a real stake in the future success of the company. That is why we will be introducing the largest employee share scheme in a privatisation for 25 years—bigger than that of British Gas, BT or British Airways. Indeed, as a percentage of the shares, it will be the largest employee share scheme of any major privatisation. I firmly believe that our proposals for an employee share scheme will help to increase engagement and productivity, and will align the long-term interests of the company with those of its employees.

Let me return to the hon. Gentleman's specific concern. Some have said that privatisation will lead to a degraded service, but they are wrong. The forthcoming postal services Bill will be all about protecting the universal postal service by establishing new, stronger safeguards and a firmer focus on its continued provision.

I do not know whether the hon. Gentleman is aware that our obligation under EU law is to a lesser service than the one that we currently enjoy in the UK. When it comes to the universal postal service and the minimum service that member states are required to provide, the European postal directive specifies only five days per week, with no obligation to keep the service uniform throughout the UK. I am sure that, as one who comes from Scotland, the hon. Gentleman agrees that a non-uniform service would be unacceptable here in the UK. However, the power to downgrade our service to that level already exists, and could be used by a future Government without a parliamentary vote or any need for consultation. That is completely unacceptable to me.

As I said earlier, I intend to establish new, stronger safeguards for the universal service. The Government have no intention of downgrading the service, and will never allow a situation in which the service required in one area of the country is not the same as that required in another. I hope that the hon. Gentleman will support the safeguards in the Bill when they are debated in the House, because they relate to the very points that he has made so eloquently tonight.

The measures that I have described will ensure that our communities continue to benefit from a vibrant post office network and a reliable universal postal service. Safeguarding the Post Office and the universal postal service is at the very heart of the Government's policy, and I hope that I have been able to reassure the hon. Gentleman on that point.

Question put and agreed to.

10.27 pm

House adjourned.

House of Commons

Tuesday 12 October 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

ELECTORAL COMMISSION

The VICE-CHAMBERLAIN OF THE HOUSEHOLD reported to the House, That the Address of 15th September, praying that Her Majesty will appoint as Electoral Commissioners:

(1) Angela Frances, Baroness Browning, with effect from 1 October 2010 for the period ending on 30 September 2014;

(2) David Ross Howarth, with effect from 1 October 2010 for the period ending on 30 September 2014;

(3) Roy Francis, Lord Kennedy of Southwark, with effect from 1 October 2010 for the period ending on 30 September 2014; and

(4) Rt. Hon. George Newlands Reid, with effect from 1 October 2010 for the period ending on 30 September 2012,

was presented to Her Majesty, who was graciously pleased to comply with the request.

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Tax Compliance

1. **Nia Griffith** (Llanelli) (Lab): What steps his Department is taking to increase the level of tax compliance. [16480]

The Exchequer Secretary to the Treasury (Mr David Gauke): The Chief Secretary to the Treasury announced £900 million of investment in Her Majesty's Revenue and Customs to tackle avoidance, evasion and fraud, sending a clear signal that the spending review will be focused on both fairness and deficit reduction. It will include an increase in prosecutions and steps to tackle organised criminal excise smuggling. HMRC also recognises the importance of helping businesses to get their tax right and has launched additional education and guidance packages in order to do so.

Nia Griffith: Given the enormous importance of reducing the tax gap, and thereby reducing the deficit, what assurances can the Minister give that actually he will be taking on more tax officers and ensuring a good geographical spread to make sure we get in the maximum tax revenues possible?

Mr Gauke: As was made clear in the Chief Secretary to the Treasury's statement, the Government are determined to reduce the tax gap. It currently stands at £42 billion. It is too high, but we are determined to take measures to address it and we have already announced proposals by which we can reduce the tax gap.

Budget (Regional Differences)

2. **Kevin Brennan** (Cardiff West) (Lab): What representations he has received on variations between the English regions and constituent parts of the UK in respect of the effects of the measures in the June 2010 Budget. [16481]

3. **Paul Blomfield** (Sheffield Central) (Lab): What representations he has received on variations between the English regions and constituent parts of the UK in respect of the effects of the measures in the June 2010 Budget. [16482]

The Chief Secretary to the Treasury (Danny Alexander): We received representations from many interested parties from all parts of the UK and at the time of the Budget we published details of the impact of the Budget on each English region and each devolved Administration.

Kevin Brennan: Does not the Government's proposed closure of the passport office in Newport show that, far from us all being in this together, these Budget cuts will fall disproportionately on the poorest parts of the UK? Is this closure inevitable?

Danny Alexander: I am grateful for the question, and I understand the sensitivity in the community about that decision. The spending review will, of course, result in some difficult decisions having to be made all over the country. I can however say to the hon. Gentleman that we are looking very closely at the regional and national impact of particular decisions. One of the reasons why the Deputy Prime Minister announced a regional growth fund for England is to deal with those issues, and I hope very much that the Welsh Assembly Government might follow suit.

Paul Blomfield: Will the Chief Secretary acknowledge the analysis undertaken by the Institute for Fiscal Studies, whose head at that time now leads the Office for Budget Responsibility, that found that the measures in the emergency Budget will hit those on lowest incomes hardest and will have a disproportionate impact on constituencies in the north?

Danny Alexander: If anything demonstrates the independence of the OBR it is the appointment of the head of the IFS to be the head of the OBR, and I hope that will put an end to any such criticisms from the hon. Gentleman's side of the House. The analysis was interesting, but the analysis we published at the time of the Budget was robust and soundly based. I have carefully studied the IFS's additional analysis, and I think it makes some assumptions that push the boundaries. As a result it is not an analysis the Treasury would stand by. I would

stand by the view that the measures we announced in the Budget were progressive and fair and hit the people on the highest incomes hardest.

Charlie Elphicke (Dover) (Con): Can the Chief Secretary tell the House the benefits that the regional growth fund will have for neglected regions, in particular coastal and seaside towns?

Danny Alexander: I fear that the hon. Gentleman will have to wait until a week tomorrow for the spending review announcement to hear details of that sort, but I can tell him that the purpose of the regional growth fund is precisely to ensure that areas hit hardest by public spending cuts or areas most dependent on the public sector have an opportunity to put forward proposals for measures that would support their economic growth. The regional growth fund has been established to meet those proposals.

James Morris (Halesowen and Rowley Regis) (Con): This builds on what the Chief Secretary has just said. Does he agree that what we need with the regional growth fund is a much more focused regional policy, rather than the waste that came from the previous Government and their one-size-fits-all regional policy?

Danny Alexander: I would agree with that, although I am not going to go over the litany of spending by regional development agencies. Having a regional growth fund that is able to respond to bids from communities, along with a much more devolved set of arrangements, through local enterprise partnerships, which require local authorities and local businesses to work together on what is best for their areas, is a much more dynamic approach, and it is likely better to meet the needs of those areas.

Mr David Hanson (Delyn) (Lab): What account will the Chief Secretary take of last week's joint statement by the leaders of the devolved Administrations in Wales, Scotland and Northern Ireland? They said that the proposed cuts in the comprehensive spending review are

"too fast and too deep",

that

"Front loading the cuts into the next two years is...the wrong approach"

and that a failure to promote growth will damage the private sector? Will he now listen to those voices, which do not just argue for the public sector, but argue that the cuts that he proposes will damage private sector growth and private sector industry?

Danny Alexander: First, may I welcome the right hon. Gentleman to his new role, congratulate him on his appointment and wish him luck with it? The question he asks is important: what is the impact on the devolved Administrations? As he knows, the budget for devolved Administrations is set by the Barnett formula, which reflects the decisions we make for Departments within the UK, and so it falls out as a consequence of the spending review decisions. Of course our decision to protect the national health service—something that the Labour party was not willing to do—will reflect well on the devolved Administrations' settlement. If the right hon. Gentleman wishes to enter credibly into this debate, he and his colleagues should make some credible proposals of their own as to how they would tackle the deficit.

Deficit Reduction

4. **Mr Marcus Jones** (Nuneaton) (Con): What recent representations he has received on steps to reduce the budget deficit. [16483]

6. **Glyn Davies** (Montgomeryshire) (Con): What recent representations he has received on steps to reduce the budget deficit. [16485]

The Chancellor of the Exchequer (Mr George Osborne): The Government's plan to tackle the record budget deficit they inherited has been supported by the CBI, the OECD and, now, the International Monetary Fund. We have received more than 60,000 representations from the public as to how to go about deficit reduction and many of their suggestions are being put into effect. To date, we have received no proposals and no suggestions from the official Opposition, who created the deficit in the first place.

Mr Jones: I thank my right hon. Friend for his response. With the country set to pay £43 billion in interest in 2010-11, I am reassured that the general public have been willing to contribute to the tough decisions required of this Government to turn our economy around. Has he received any helpful advice from the Labour party, past or present, other than that from Tony Blair?

Mr Osborne: My hon. Friend is absolutely right about debt interest; this country is now paying £120 million a day in debt interest. Debt interest under the previous Government was forecast to rise to £60 billion a year, making it one of the largest items of Government expenditure. He talks about suggestions from Members of Parliament. The new leader of the Labour party said:

"I think whoever is the Labour leader will, by the time of the spending review, have to show that they have an alternative plan".

So the clock is ticking.

Glyn Davies: The Chancellor attended the IMF conference at the weekend. Can he share with us what our international partners are saying about the coalition Government's efforts to deal with the deficit?

Mr Osborne: As I am sure my hon. Friend is aware, the IMF's article IV study of the United Kingdom said:

"The government's strong and credible multi-year fiscal deficit reduction plan is essential to ensure debt sustainability."

That is in marked contrast to last year's IMF report on the UK. At the IMF annual meetings, which I attended last weekend, it was made clear that concerns about sovereign debt issues in Europe were one of the greatest threats to the world recovery. Of course, the decisions that we have taken in this House have moved Britain out of the financial danger zone and helped to deal with that potential threat.

Derek Twigg (Halton) (Lab): On reducing the budget deficit and the issue of fairness, how does the Chancellor square the fact that his local authority has had a cut of only £600,000 to its education budget with the fact that Halton, the 30th most deprived authority, has had a cut of more than £1.2 million? How is that fair?

Mr Osborne: Decisions on local government allocations are properly a matter for the Secretary of State for Communities and Local Government, but I make the observation that we face a series of tough decisions because of the economic mess that the Labour party left us. To date, it is living in complete denial: there is not one single suggestion from one single Labour Member on how to reduce the budget deficit, or even achieve the £44 billion of cuts on which Labour fought the last election.

Mr Andrew Love (Edmonton) (Lab/Co-op): Can the Chancellor confirm or deny reports in the weekend press that he has given the Governor of the Bank of England the green light to increase quantitative easing, to deal with the policy that the Chancellor is pursuing on the deficit?

Mr Osborne: What I said at the weekend was that I would follow the exact same procedure that my predecessor, the right hon. Member for Edinburgh South West (Mr Darling), pursued when he was Chancellor of the Exchequer. The fact that that is regarded as something of a surprise by the Labour party shows how far it has departed from the centre ground of British politics.

Mr David Ruffley (Bury St Edmunds) (Con): Our net contribution to the EU is, amazingly, projected to double in this Parliament from £4.7 billion to £9.5 billion a year. Does my right hon. Friend agree with me and many of my Bury St Edmunds constituents that if we are to cut the deficit, we need to cut our spending on the EU?

Mr Osborne: It is good to see my hon. Friend. I make the observation that the situation is, unfortunately, yet another legacy of the previous Government. *[Interruption.]* Well, Labour Members obviously do not know the history: Tony Blair gave away our Budget rebate in return for the French reforming the common agricultural policy. So far as I have noticed, that deal has not held, and our contributions are rapidly rising. We have made strong arguments at the European level for similar budget restraints in the EU to those that member states are having to impose domestically. Of course, that will be our negotiating stance as we go into the new budget review period.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): Will the timing of the spending cuts that are to be announced next week be exactly as laid out in June's emergency Budget, and will the Chancellor confirm that the aim continues to be that the deficit will be eliminated by 2015?

Mr Osborne: First, I should welcome the right hon. Gentleman to his new role on behalf of all Government Members. I did the job for five years, and I hope that he does it for even longer than I did. The answer to his question is yes.

Alan Johnson: Well, the reason I ask is that there was some speculation at the weekend, when the Energy Secretary suggested, in a rather unfortunate yachting analogy, that he would not be "lashed to the mast" with a particular set of spending numbers. That is important, because from my vast experience in this job I am absolutely clear about this: the Chancellor says that the deficit was wrong and that his emergency Budget measures were unavoidable, but I believe that it is the other way round. The deficit was unavoidable if we were to avoid financial meltdown, and his Budget proposals were entirely wrong—wrong because they would, according to the Institute for Fiscal Studies, have two and a half times the adverse effect on the poorest as on the richest in our society, and wrong because he is seeking to cut public spending before there is any momentum for private sector spending in our economy.

Mr Osborne: Quite frankly, being in opposition involves choices, just as being in government does. The right hon. Gentleman talks about the Budget; there is a simple choice before the House today, which is whether we proceed with a graduate tax. Lord Browne's report says that such a tax would add £3 billion to the deficit and would not produce savings until 2041. That is a real choice on the deficit before us today. The right hon. Gentleman is the shadow Chancellor and opposes a graduate tax; is he going to assert his authority over Opposition tax policy?

Debt Management (Bank of England)

5. **Jacob Rees-Mogg** (North East Somerset) (Con): Whether he has assessed the merits of returning responsibility for debt management to the Bank of England. [16484]

The Financial Secretary to the Treasury (Mr Mark Hoban): The current institutional framework separates operational responsibility for debt and monetary policy by the establishment of a debt management agency. This properly reflects the importance that we attach to having a clear institutional divide between responsibility for setting interest rates and for issuing Government debt. The Government have no plans to return responsibility for debt management to the Bank of England.

Jacob Rees-Mogg: With the return of banking supervision to the Bank of England, I wonder whether it is worth considering giving the Bank of England its debt management responsibilities back. An active participant in markets may well prove to be a better regulator than one that approaches regulation from a more intellectual sense.

Mr Hoban: The Bank of England engages in market activities on a day-to-day basis, but before 1997 the same institutional separation existed, with the Chancellor setting interest rates and the Bank responsible for debt management. The separation of responsibilities improves transparency and confidence in debt management and helps to keep the cost of Government debt as low as possible. My hon. Friend will appreciate how important that is, given the size of the deficit that we inherited from Labour.

Chris Leslie (Nottingham East) (Lab/Co-op): But is it not clear that, as my hon. Friend the Member for Edmonton (Mr Love) was saying, the raising of the spectre of a return to quantitative easing signalled by the Chancellor last week to the Bank of England is a clear sign that the anti-growth strategy pursued by the Government risks a major slow-down in our economy?

Will the Minister take responsibility and stop playing ideological games with fiscal policy in the hope that monetary policy will miraculously pick up all the pieces?

Mr Hoban: I welcome the hon. Gentleman to his new position. He has been out of Parliament for the past five years and he should perhaps take this opportunity to reflect on the record of his predecessors and the deficit that they racked up in Government. Is he departing from the practice that the previous Chancellor of the Exchequer followed when it came to quantitative easing?

Sir Peter Tapsell (Louth and Horncastle) (Con): I am a strong supporter of quantitative easing as a form of management of the economy, but are Treasury Ministers aware that some hedge funds are making large profits by arbitraging between short and long interest rates when central banks give advance notice of their intention to intervene in foreign markets?

Mr Hoban: As my hon. Friend will be aware, the implementation of any policy on quantitative easing is the responsibility of the Bank of England, and it will take into account those factors.

Rachel Reeves (Leeds West) (Lab): Does the Minister welcome the fact that the efforts of the Debt Management Office mean that the average duration of debt in the UK is around 13 years, several years longer than any other country in Europe? It is one of the many reasons why the UK is not in the position of Ireland or Greece.

Mr Hoban: The hon. Lady, who follows these matters quite carefully, will reflect that before the election long-term yields on Government debt in the UK were moved in line with those in countries such as Portugal, Greece and Spain. After the election, the margin between UK gilts and the German Bund has narrowed rather than widened, as has been the case with other European bond rates.

Office for Budget Responsibility

7. **Henry Smith** (Crawley) (Con): What steps he is taking to ensure the independence of the Office for Budget Responsibility. [16486]

The Chancellor of the Exchequer (Mr George Osborne): The independence of the Office for Budget Responsibility is central to its credibility. With the approval of the Treasury Committee, I have appointed Mr Robert Chote to be its new chair. Today I am also appointing the distinguished economist Stephen Nickell and the experienced forecaster Graham Parker to serve alongside Mr Chote as permanent members of the budget responsibility committee. I am also publishing new terms of reference that safeguard the independence of the OBR, and copies are available in the Vote Office. I have asked the OBR to publish its autumn forecasts on the economy and the public finances on Monday 29 November.

Henry Smith: I thank my right hon. Friend for his answer. I warmly welcome the creation of the OBR, at last, as an independent economic forecaster. I know that the Treasury Committee has raised a number of concerns, including the location of the OBR and whether the veto over the chairmanship of the Select Committee will be in the Bill.

Mr Osborne: The short answer to my hon. Friend's questions is yes. The OBR will move out of the Treasury—in the period immediately after the general election, that was the quickest way to establish it—to a permanent home. The choice of location will be for the permanent chair of the OBR who, I believe, will make a statement on that later today. I think the veto given to the Treasury Committee is the first of its kind in this Parliament, and will be enshrined in legislation.

Stephen Timms (East Ham) (Lab): The Chancellor has announced two new appointments to the budget responsibility committee today. In line with the Treasury Committee's recommendation, will he extend its veto to those two appointments, as well as to the position of the chair? Will he invite the OBR to comment, as the Select Committee envisages, on the fiscal mandate?

Mr Osborne: My answer to the right hon. Gentleman is yes and no—yes to the first part of the question. I listened very carefully to what the Treasury Committee said about the two other members of the budget responsibility committee, and I propose that it should indeed have a veto over those two appointments, which were made on the recommendation of a panel that included Robert Chote. I made the suggested appointments, but it will be for the Treasury Committee presumably to hold hearings and hopefully give its approval.

I do not propose to follow the second path that the right hon. Gentleman suggested. If the OBR begins commenting on the fiscal mandate, it intrudes on what is a legitimate matter of debate in the House between elected representatives who have strong views on this. I want to do everything I can to preserve the independence of the OBR, not just for this Government but for future Governments as well.

Mr Andrew Tyrie (Chichester) (Con): Would the Chancellor just confirm that the veto on the other two members of the OBR will function in exactly the same way as it would for the chairman? Would he also confirm that, in line with our recommendations, the OBR will be permitted at the request of Opposition parties at election time to examine their fiscal policies as well?

Mr Osborne: What I would say to my hon. Friend in response to his first point is yes, the procedure that I propose is exactly the same, unless he wants to volunteer some alternative method. On his second point, this is genuinely a matter that should be debated in the House in a non-partisan way, because it does not affect just this Parliament. There is a question of whether we want the OBR to be able to cost Opposition policies at the time of a general election. I propose to have discussions with Opposition party leaders about whether that is the appropriate thing to do, and it would be a legitimate matter for the House to debate and decide.

Departmental Spending Challenge

9. **Rehman Chishti** (Gillingham and Rainham) (Con): What recent representations he has received on his Department's spending challenge. [16488]

The Economic Secretary to the Treasury (Justine Greening): Many, many people have got involved with the spending challenge review, and on the spending challenge website we received more than 100,000 suggestions from members of the public, including more than 60,000 from public sector workers. We also had correspondence across government, including 10,000 e-mails and letters to the Treasury alone. I know that many other Departments received similar correspondence. Finally, Ministers have been out and about across the country, and have had meetings in their Ministries with a range of stakeholders to make sure that we make the right decisions.

Rehman Chishti: Is there still time for new members of the shadow Cabinet to contribute to the spending challenge, given that they should have £44 billion of ideas to hand?

Justine Greening: No, it is not too late for members of the shadow Cabinet to get involved with this process. They had an opportunity last night, as you remember Mr Speaker, on the Finance (No. 2) Bill, but they failed to take it. I think that that may be because they do not have the capacity or the courage to come up with their own suggestions.

Ms Angela Eagle (Wallasey) (Lab): Can the Minister confirm well-sourced reports that she has received Treasury advice to delay some of next year's proposed spending cuts? How, if that is true, does it square with the harsh cuts rhetoric that we have heard from Treasury Ministers since the election? Will she take this opportunity to confirm that it is her decision, and that of the Front Benchers, to stick with the £23 billion of cuts that we know they are planning for next year?

Justine Greening: We are clear about what we need to do to sort out the last Labour Government's terrible legacy—a Government, incidentally, who left unemployment higher than when they took office. We will stick to our economic plan, which, as we have heard, the IMF and the OECD think is the right one, and it is the plan that stands alone, because the Labour party simply has no alternative.

Duncan Hames (Chippenham) (LD): Among her responses to the spending challenge, will the Minister bring into line the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, which have enabled four former Wiltshire council bosses to share remuneration of almost £2 million in their final 12 months in office?

Justine Greening: We are looking at a range of ways we can ensure that we get the most value from every pound of taxpayers' money, and we will stop at nothing to make sure that we get there in the end. We are going through a difficult process with many difficult decisions, but we aim to ensure that all of them are tough, but still fair.

Ian Lucas (Wrexham) (Lab): Does the Minister agree with her very good friend Sir Philip Green that one of the ways of spending money effectively would be for the Government to delay their payments to small business?

Justine Greening: Sir Philip Green is one of those people I was talking about in my first answer: somebody who has got involved trying to come up with constructive suggestions on how we can tackle the fiscal deficit left by the hon. Gentleman's party. The bottom line is that we want to ensure that we support business. His party was against the package of corporation tax reductions that we brought forward in the Budget, which will support companies across this country. We also got rid of his party's job tax.

Whips Offices

10. **Mr Peter Bone** (Wellingborough) (Con): What recent discussions he has had with the Minister for the Cabinet Office on the cost to the public purse of the Government Whips Office and the Opposition Whips Office. [16489]

The Chancellor of the Exchequer (Mr George Osborne): I have had discussions with my right hon. Friend on the overall Budget for the Cabinet Office as part of the spending review. As my hon. Friends might expect, I am keen to ensure maximum value for money from the Government Whips Office. When it comes to the Opposition Whips Office, that is an area of public spending where I am prepared to tolerate inefficiency and poor leadership.

Mr Bone: My right hon. Friend will be aware that during this Parliament, the additional salaries paid to Whips will be more than £6 million. As we now have a Backbench Business Committee and will soon have a House Committee, would that not be an area for cutting? After all, we are all in it together.

Mr Osborne: Unfortunately, the Parliamentary Secretary to the Treasury, the Government Chief Whip, is not here to listen to that question, but as Ministers in the Government Whips have already taken a 5% pay cut and had their salaries frozen during the Parliament, so they have already shown some restraint. If my hon. Friend wants to catch the ear of the Chief Whip in the Aye Lobby tonight, he can do so.

Clive Efford (Eltham) (Lab): Has the Government Whips Office had cause to contact the Secretary of State for Energy and Climate Change, following his comments last week? Has having the Liberal Democrats as part of the Government increased the costs of the Government Whips Office?

Mr Osborne: The presence of the Liberal Democrats in the coalition means that two parties are working together to sort out a problem that one party created.

Tax System

11. **Mike Freer** (Finchley and Golders Green) (Con): What steps his Department is taking to simplify the tax system. [16490]

The Exchequer Secretary to the Treasury (Mr David Gauke): The Government are committed to simplifying the tax system. To help to achieve that, the Government have established the independent Office of Tax Simplification. Business and tax professionals have also consistently pointed to the way in which tax policy is developed, legislated and implemented as a contributing factor to overall complexity. We published a discussion document alongside the June Budget setting out proposals for a new approach to tax policy making.

Mike Freer: Will the Minister advise on the progress of the interim reports for the Office of Tax Simplification, specifically on IR35 and tax reliefs?

Mr Gauke: The OTS is looking at two areas. One is reliefs and exemptions, and although the timing of the publication is to be finalised and that is a matter for the OTS, there will be an interim report, I believe in November, on this area. With regard to the reform of small businesses, including IR35, the OTS intends to report in time for the Chancellor to take into account its views in preparation for the Budget.

Tax System

12. **Lorely Burt** (Solihull) (LD): What steps he is taking to make the tax system fairer. [16491]

The Exchequer Secretary to the Treasury (Mr David Gauke): The Government believe that the tax system should give more support to those on low to middle incomes and reward the efforts of those who choose to work. At the June Budget, we announced a £1,000 increase in the personal allowance for 2011-12, which will remove 880,000 of the lowest-income taxpayers from tax altogether. Our longer-term goal is to raise the allowance to £10,000, with real-terms steps in that direction every year.

Lorely Burt: I am grateful for that answer. May I ask my hon. Friend what the coalition Government can do for my constituent Kath Hemmings and many like her? Kath is a single mum who has raised her daughter Victoria with no support and has at the same time worked hard and built her career. She is on the higher rate of tax by just a few pounds. Many children in Victoria's class have two parents who earn under the top rate and have kept their benefit. What can we do to make things fairer for Kath, Victoria and many like them?

Mr Gauke: I understand the concern that my hon. Friend raises. The situation that we face is that there will be difficult decisions to get the deficit down—a point that Government Members appreciate. The difficulty is that looking at the issue on a household basis would mean creating a complex and large bureaucracy. We have come up with a proposal that will ensure that the poorest households are protected and will continue to receive child benefit.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I welcome the Chief Secretary to the Treasury's weekend announcement about a rural fuel derogation, which will make the tax system infinitely fairer in the islands and is a victory for common sense. I first raised the issue a few years ago. Does the hon. Gentleman feel that time was wasted by the previous Labour Government, who sat on their hands and did nothing for the islands?

When will the fuel derogation come into being? Will the Minister acknowledge that, despite that welcome step, we in the islands will still be paying more tax per litre than those on the mainland?

Mr Gauke: Was time wasted by the previous Government? Yes. What will the timing be? Negotiations need to be had with Europe, and there will be further announcements in due course.

VAT (Small Businesses)

13. **Simon Kirby** (Brighton, Kemptown) (Con): What recent representations he has received on the time taken by Her Majesty's Revenue and Customs to provide VAT numbers to new small businesses. [16492]

The Exchequer Secretary to the Treasury (Mr David Gauke): Treasury Ministers receive representations on a range of subjects from organisations and individuals about aspects of service delivery.

Simon Kirby: I thank the Minister. A number of businesses in Brighton have waited a very long time to receive their VAT numbers. Does the Minister agree that the prevention of fraud is as important as providing a prompt service?

Mr Gauke: My hon. Friend is right. There is a need to balance the desire for a quick service with ensuring that we do not allow fraudulent registrations. Between April and September this year, 57.4% of applications were processed within the target 10 calendar days. There was an improvement in the rate during August and September, when 71.4% and 79.7% of applications were processed within the 10 days.

Economic Growth

14. **Karen Lumley** (Redditch) (Con): What assessment he has made of the effect on GDP of proposals to increase the level of economic growth in the June 2010 Budget. [16493]

The Economic Secretary to the Treasury (Justine Greening): A key part of the emergency Budget was to make sure that we rebalanced our economy on to a more sustainable, private-led footing with economic growth taking place. As I said, we introduced a range of measures to support business, but we did not stop at that; we now have a second Finance Bill that brings forward further measures. The Office for Budget Responsibility's analysis following the emergency Budget showed that it is forecasting a sustained recovery in economic output, with employment growing year on year and unemployment falling year on year.

Karen Lumley: What would have happened in smaller, mixed-economy areas such as my constituency of Redditch if the Government had refused to take the challenge as they have and face up to the difficult decisions?

Justine Greening: Such areas would have faced a jobs tax with higher national insurance, higher corporation tax rates, lower economic confidence and, quite possibly, higher interest rates.

Child Benefit

15. **Karl Turner** (Kingston upon Hull East) (Lab): What representations he has received on the new arrangements for child benefit which will apply to one and two-parent families. [16494]

The Exchequer Secretary to the Treasury (Mr David Gauke): The Chancellor has received a number of representations on the planned changes to child benefit. It is not the Government's practice to provide details of all such representations.

Karl Turner: Does the Minister agree with my constituent Christopher Sumpton, who points out that it is grossly unfair for a single mother earning £44,000 a year and supporting three children to lose her child benefit, given that the next-door neighbours earning £80,000 will not? Will Treasury Benchers explain why the Government are attacking women in this savage way?

Mr Gauke: As I said earlier, we do not currently have the capability to examine the situation on a household basis, but we do need to make difficult decisions. If the Opposition want to oppose each and every cut, including in the child benefit that is given to some of the wealthiest in society, they can take that position, but we are prepared to take those tough decisions.

Andrea Leadsom (South Northamptonshire) (Con): Does my hon. Friend think that the Opposition believe it would be fairer to tax the lower-paid and give the tax revenue to the higher-paid?

Mr Gauke: That appears to be their solution given that, as I understand it, they still advocate the increase in the national insurance contributions that we are going to counter by raising thresholds. If the Opposition wish to take that position, so be it.

Kerry McCarthy (Bristol East) (Lab): I am afraid that the answers that the Minister is giving are simply not good enough. Can he explain the logic behind the child benefit proposal, if there is any? Why is the assessment not being made on household income rather than just on the highest earner's income? Will it apply to a cohabiting high earner or just to married couples, and why will there be a phenomenally high marginal deduction rate? Is it not true that this is just another "back of a fag packet" policy that the Government have not thought through at all?

Mr Speaker: There were four questions there, but one answer will do.

Mr Gauke: I congratulate the hon. Lady on her appointment to her shadow ministerial position, but I point out what her former colleague Alan Milburn has said:

"In times of plenty, giving child benefit to high earners is a luxury the country can afford; in times of want I don't think it is. We would be wrong to oppose it. I can't see it having an adverse impact on social mobility."

I know Alan Milburn belongs to the centre ground, but the Opposition really should not abandon it.

Tax Take (East Midlands)

16. **Andrew Bridgen** (North West Leicestershire) (Con): What recent estimate he has made of the proportion of the central Government tax take from residents of the east midlands which is spent on that region. [16495]

The Chief Secretary to the Treasury (Danny Alexander): We cannot accurately disaggregate tax revenue by individual regions, but we publish regionally disaggregated public spending tables each year. Total identifiable expenditure in the east midlands was £35.4 billion in 2009-10.

Andrew Bridgen: I thank the Minister for that answer, but as he is well aware, Leicestershire is historically one of the lowest-funded parts of the UK for education, the police and the fire services. Can he assure me that that historically low funding settlement will be taken into account in the comprehensive spending review?

Danny Alexander: The hon. Gentleman will have to wait until the statement on 20 October to hear the details of our spending decisions, but as I have made clear in answer to earlier questions, of course we consider it important to understand and manage the regional impact of spending cuts. We have established a regional growth fund, the details of which will be in the spending review statement, which will enable areas such as his to win support for projects that help economic growth in difficult times.

Economic Growth

17. **Harriett Baldwin** (West Worcestershire) (Con): What assessment he has made of the effect on GDP of proposals to increase the level of economic growth in the June 2010 Budget. [16496]

The Economic Secretary to the Treasury (Justine Greening): As we discussed earlier, the emergency Budget supported businesses in a variety of ways. We know that we have to rebalance our economy by getting an unwieldy public sector back into a sustainable, private sector-led economy that generates the tax revenues needed to fund our public services sustainably. We will never go back to the profligacy of the Labour party.

Harriett Baldwin: Businesses in West Worcestershire welcome the cuts in corporation tax that were announced in the June 2010 Budget. Does the Minister agree that the most basic economics primer would say that, if they are possible, lower tax rates for business can lead to higher tax revenues from business?

Justine Greening: My hon. Friend is right, and I know that she had wide experience in business before entering the House. Opposition Front Benchers really ought to listen to the CBI, the Institute of Directors, the Federation of Small Businesses, the British Chambers of Commerce and a range of other representatives from across industry who welcome the measures that the Government have brought forward to support business. As long as the Opposition put their head in the sand they will remain what they are right now, which is incredible.

Tax Collection

18. **Katy Clark** (North Ayrshire and Arran) (Lab): How much tax revenue each enforcement and compliance officer in Her Majesty's Revenue and Customs collected on average in the last financial year. [16497]

The Exchequer Secretary to the Treasury (Mr David Gauke): HMRC's enforcement and compliance officers engage in a wide range of activities, from dealing with relatively low-value errors made by small businesses and individuals to addressing significant risks among the largest corporate bodies, as well as countering criminal attacks on the tax and duty system. For that reason,

HMRC does not collect statistics on the average revenue collected by an enforcement or compliance officer. Results of HMRC's compliance activity were published in its 2009 autumn performance report.

Katy Clark: Given that we have already lost more than 9,000 enforcement and compliance officers, and I am told that each officer raises more than £600,000 after their salary, does the Exchequer Secretary not think that he should get those statistics and start recruiting people rather than sacking them?

Mr Gauke: As I said earlier, my right hon. Friend the Chief Secretary made an announcement a couple of weeks or so ago of about £900 million-worth of investment in HMRC over the spending review period. It is important to tackle compliance, and the Government, perhaps more than our predecessors, will be determined to do that.

Economic Growth

19. **Bob Stewart** (Beckenham) (Con): What assessment he has made of the effect on GDP of proposals to increase the level of economic growth in the June 2010 Budget. [16498]

The Economic Secretary to the Treasury (Justine Greening): The Government are continuing to do whatever they can to support business. As I said in answer to previous questions, Richard Lambert from the Confederation of British Industry described our emergency Budget as a

"first important step on the long journey back to economic health."

It is a step that the Labour party unfortunately does not want to take with us.

Bob Stewart: How do we ensure that everyone benefits from economic growth, particularly pensioners? With interest rates so low, many pensioners in Beckenham are rapidly eating into their life savings.

Justine Greening: My hon. Friend raises an important point. Although the emergency Budget was very much about supporting business and creating again the conditions for employment, he is right to mention pensions. That is why another key part of it, which perhaps got less attention than it otherwise would, was our managing to re-establish the earnings link with the state pension. The Labour party failed to do that in 13 years—it promised but, as ever, failed to deliver.

Topical Questions

T1. [16505] **Julian Smith** (Skipton and Ripon) (Con): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Mr George Osborne): The core purpose of the Treasury is to ensure economic stability, promote growth and employment, reform the banking system and restore some sanity to the public finances.

Julian Smith: What message does my right hon. Friend think the national insurance holiday and the abolition of Labour's jobs tax sends to those thinking of setting up their own firm in God's own county?

Mr Osborne: It will be my great good fortune to visit Yorkshire later this week to hand out the *Yorkshire Post* awards in Leeds. My hon. Friend makes a good point. We have introduced a regional tax cut for the first time in British history, which means that businesses that are set up outside the south-east of England will benefit from a national insurance holiday on the first few employees that they bring on board. We have also got rid of Labour's job-destroying jobs tax, which, as we now read in the memoirs of various senior members of the Labour Government, they tried to dissuade the previous Prime Minister from introducing.

T3. [16507] **John Mann** (Bassetlaw) (Lab): As confirmed by the OBR and Treasury officials to the Treasury Committee, the Budget is predicated on having in this Parliament an extra 700,000 EU migrants net living in this country. Where will they live and work? How will they be spread across the United Kingdom?

Mr Osborne: The Office for Budget Responsibility is using the statistics from the Office for National Statistics. Of course, one of the decisions that the previous Government made was to allow countries to join the European Union without any transitional controls whatsoever on their citizens' movement to the United Kingdom. We are living with the consequence of that decision.

T2. [16506] **Karen Bradley** (Staffordshire Moorlands) (Con): Many small businesses in Staffordshire Moorlands tell me that they have enough to deal with without the intricacies and complications of the tax system. Will the Minister provide more information to the House about how the work of the Office of Tax Simplification will help those small businesses?

The Exchequer Secretary to the Treasury (Mr David Gauke): My hon. Friend is right to raise the concerns of business. We have a complicated tax system and the longest tax code in the world. The Office of Tax Simplification will make a very useful contribution to assisting the Government to identify unnecessary complexity and finding areas of reform.

T4. [16508] **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): Many pensioners in my constituency are concerned about the indexation of pensions changing from the retail prices index to the consumer prices index. A pensioner who currently receives a pension of £10,000 will be more than £800 worse off by 2016. Does the Minister think that it is fair for pensioners to be hit in that way?

Mr Osborne: The Government have introduced a triple lock on the basic state pension, which means that it rises by earnings, or by CPI or RPI—whichever is higher. The previous Government had 13 years to do that, and they did not.

T5. [16509] **Andrew Bridgen** (North West Leicestershire) (Con): In my constituency, more than 7,000 jobs are directly linked to east midlands airport. I believe that it has been shown that there would be no environmental or fiscal gain from the introduction of a per plane tax, as flights would simply divert to other European hubs. Is the Economic Secretary willing to reconsider any plans for a per plane tax, and will she meet me as a matter of urgency to discuss that?

The Economic Secretary to the Treasury (Justine Greening): I will be very happy to meet my hon. Friend. The coalition agreement mentions the desire to reform air passenger duty and move towards a per plane duty. In the intervening period, I have had a range of meetings, including with airport owners, and I would be happy to add him to my list of people with whom I have discussed that policy.

T8. [16512] **Toby Perkins** (Chesterfield) (Lab): The Chancellor was a millionaire the day he was born, so he has not got a clue what it is like to try to raise a family on £40,000 a year—*[Interruption.]* Do you mind? He cannot hear me. People who earn that much are not the super-rich; they are hard-working people who are getting by and getting on. The cuts to child benefit will take about 10% of the income of some of them. By what definition of fairness does he think robbing 10% from hard-working people is a fair deal for such families?

Mr Osborne: I will make one observation if the hon. Gentleman wants to lay into my background: I went to the same school as the deputy leader of the Labour party.

On child benefit, we have had to take some difficult decisions. It is quite extraordinary that the Labour party finds itself opposing our decision. Yes, it was a tough decision, but it was fair in the context of the decisions that we must take. The fact that Alan Milburn today warned Labour Members not to oppose the measure—*[Interruption.]* Of course, the sensible part of the Labour party is no longer on the Front Bench. The fact that Alan Milburn, whom Labour appointed as its social mobility tsar, is warning them is something to which Labour Members should pay attention.

T6. [16510] **Mike Freer** (Finchley and Golders Green) (Con): Although my constituents accept the need to tackle Labour's legacy, many of them have large families and are concerned about the changes in child benefit. Will the Minister consider transitional arrangements to help families to adjust?

Mr Gauke: We do have to take tough decisions. The full implementation proposals will be announced next week, but this is one of those occasions when we must make tough decisions, because we must face up to the enormous deficit. The Government are prepared to deal with it.

T9. [16513] **Paul Blomfield** (Sheffield Central) (Lab): Will the Chief Secretary to the Treasury welcome the backing given by Olympic champion Jessica Ennis to the U-mix centre, which is a sports and leisure facility in Sheffield designed by Urban Mixtures, an inspiring group of young people who represent the real big society at work? Funding has been allocated for the project under the myplace programme, but has been frozen pending the comprehensive spending review. Will he share my hope that that funding will be unfrozen and allocated shortly?

The Chief Secretary to the Treasury (Danny Alexander): I am grateful to the hon. Gentleman for raising that point, and as usual he puts the case for his constituency very eloquently. Decisions on spending matters, including spending that was frozen under the project re-approvals process, will be announced on or after the date of the spending review.

T7. [16511] **Mark Menzies** (Fylde) (Con): In the Budget statement, the Chancellor of the Exchequer mentioned the need to rebalance the economy towards export-led growth, which is particularly important for constituencies such as mine in the north-west. Will he update the House on the Government's progress in that respect?

Mr Osborne: I have seen at BAe Warton in my hon. Friend's constituency a very good example of high-skilled manufacturing. Everything the Government do is designed to support a private sector recovery and to rebalance our economy, so that not all the growth that takes place does so in only one corner of the country.

Barry Gardiner (Brent North) (Lab): After the row at the International Monetary Fund summit at the weekend, has the Chancellor concluded that the renminbi is undervalued, or that the US is under-focused on consumption-led domestic growth?

Mr Osborne: I have concluded that it is very sensible for the serving Chancellor of the Exchequer of the day not to comment on the value of currencies.

T10. [16514] **Tom Brake** (Carshalton and Wallington) (LD): When the Chancellor and the Chief Secretary consider how to address the huge budget deficit they inherited from Labour, will they not lose sight of the importance of investing in affordable housing, specifically to ensure that homes meet the decent homes standard?

Danny Alexander: My hon. Friend makes a very important point. We will make decisions on spending and announce them on 20 October in the spending review statement. The point he makes is important, and I very much take it to heart.

Dr William McCrea (South Antrim) (DUP): During a visit by the Deputy Prime Minister to Northern Ireland last week, he stated, "I will go away with colleagues in the coalition Government to look at the possible impact of the deficit reduction plan on capital expenditure in Northern Ireland." Can the Chancellor confirm that that has been done and what steps will be taken in response?

Mr Osborne: As the hon. Gentleman may know, I have met the First Minister and Deputy First Minister of Northern Ireland and I am looking at the points that they raised with me. If he will forgive me, I will make an announcement on 20 October.

Penny Mordaunt (Portsmouth North) (Con): Does the Minister think that we will stand a greater chance of having fairer taxation now that Finance Bills are published and properly consulted on, and will that stop appallingly unfair policies such as the abolition of the 10p tax rate ever being introduced again?

Mr Gauke: We set out in June our plans for making tax policy and ensuring greater consultation, so that there is a clearer process when we develop policies. That has been widely welcomed by business and the tax professions, and we hope to build on the progress that we have made so far.

Michael Connarty (Linlithgow and East Falkirk) (Lab): With all this talk of fairness, why is it that no one has mentioned VAT? A 14.5% increase in real terms in the VAT rate has been attacked by what I thought were Conservative-voting business people and families in my constituency, and will punish those at the lower end of the income spectrum. Why is such a high rate of VAT being pursued by this Government?

Mr Osborne: We are having to take decisions to close the highest budget deficit in the G20. I listened to what the previous Chancellor of the Exchequer said recently on "The Andrew Marr Show". He was asked:

"we now read from Peter Mandelson's book that you were quite keen on the idea of VAT going up".

Alistair Darling replied:

"Well yeah, obviously...It would have allowed you to have done you know a lot more to take down the deficit...and would have...ameliorated some of the worst effects of reductions".

For once, the previous Chancellor of the Exchequer had the right idea—*[Interruption.]* That is because he was overruled by the then Prime Minister.

Robert Halfon (Harlow) (Con): May I bring to the Minister's attention the case of my constituent, Mr Peter Gorse? Mr Gorse ran a healthy small business until the Royal Bank of Scotland forced him into bankruptcy so that it could repossess his assets. Will the Minister agree to meet me and my constituent so that his case can be heard fairly by that taxpayer-owned bank and to ensure that cases such as his are fairly considered as we reform the banking system?

The Financial Secretary to the Treasury (Mr Mark Hoban): The responsibility for operational matters at RBS rests with its board. The Treasury's engagement with RBS is through United Kingdom Financial Investments Ltd, which acts as a shareholder. My hon. Friend will be aware that in July we published a Green Paper setting out some approaches to improving the access that small and other businesses have to finance, and we will make further announcements on that shortly.

Albert Owen (Ynys Môn) (Lab): What representations have Treasury Ministers had from advice organisations such as citizens advice bureaux which fear that their budgets from local government will be cut at a time when they will be advising the most vulnerable people on their finances and welfare benefits? Will the Treasury team join me in paying tribute to the citizens advice bureaux for the work that they do, and commit to giving them extra funding for that purpose?

Danny Alexander: I join the hon. Gentleman in paying tribute to the work of the citizens advice bureaux. In constituencies across the country they play an invaluable role in advising people and helping them through difficult times. We will make spending announcements on 20 October, but I have had conversations with the citizens advice bureaux about some of the issues affecting them. Those issues will also affect other organisations in the community and voluntary sector, and the Government take that very seriously.

Jesse Norman (Hereford and South Herefordshire) (Con): Does the Chancellor share my view that an economic policy that does not engage with cutting the deficit at all, and which has £30 billion of additional spending requirements, is no economic policy?

Mr Osborne: I agree with my hon. Friend. As we are just a couple of minutes from the statement on higher education, it would be interesting to hear from the Opposition about whether they really will pursue this graduate tax, which the shadow Chancellor has passionately opposed, including in the open letter he wrote to his party leader just a couple of weeks ago.

Emma Reynolds (Wolverhampton North East) (Lab): The Government failed to conduct an equality impact assessment on the June 2010 Budget. Can the Chief Secretary reassure me that they will not make the same mistake again, and will the Government ensure that they assess the—probably disproportionate—impact on women of the comprehensive spending review?

Danny Alexander: The answer is yes. Departments will be carrying out these assessments on their spending decisions, and I myself held a round-table meeting in the Treasury with a number of different organisations involved in the equalities area to ensure that we were considering all the relevant issues in the run-up to publishing the spending review.

Mr Speaker: Order. There is quite a lot of chuntering from sedentary positions, but I want to hear both the questions and the answers.

Matthew Hancock (West Suffolk) (Con): Since the formation of a Government who are determined to deal with the deficit, market interest rates have in some cases halved. What impact does the Chancellor think that has had on both our GDP growth and the interest payments that we have to make on Government debt?

Mr Osborne: First, the fall has helped to reduce interest payments, and secondly it has helped many companies during the recovery. It is striking how our market interest rates have fallen since taking the steps that we announced in the Budget. That is not the case in some other countries in Europe that had similar market interest rates to ours at the time of the general election.

Rachel Reeves (Leeds West) (Lab): Does the Chancellor agree that market interest rates were falling before the election? The fall is not due to the Government's policies—they were falling before.

Mr Osborne: I advise the hon. Lady to look at the market interest rates of Spain and the United Kingdom, which were the same at the time of the general election. In Spain, they have hardly fallen at all, but they are 1% lower in the United Kingdom. That is a real boost to businesses.

Dr Julian Huppert (Cambridge) (LD): Is the Chancellor aware that the Treasury is the only large Department that does not have a chief scientific adviser? Does that say anything about its interest in and understanding of science, and will he appoint a chief scientific adviser?

Mr Osborne: I assure my hon. Friend that I have received plenty of advice—public and private—from the nation's scientists.

Higher Education and Student Finance

3.31 pm

The Secretary of State for Business, Innovation and Skills (Vince Cable) *rose—*

Mr Speaker: Order. There is a great deal of interest in the Secretary of State's statement, and I appeal to Members leaving the Chamber to do so quickly and quietly, because I want to hear the Secretary of State—*[Interruption.]* I am always grateful to you, Mr Pound, for your attempted assistance.

Vince Cable: With permission, Mr Speaker, I would like to make a statement on the future funding of higher education and student finance, in the light of the report published today by Lord Browne's independent inquiry.

Lord Browne was asked to undertake his review in November last year. The review was set up by the Labour Government on a cross-party basis, and that is how we wish to proceed. I and the Minister for Universities and Science, the right hon. Member for Havant (Mr Willetts), thank Lord Browne and his review panel. The Government endorse the main thrust of the report, but we are open to suggestions from inside and outside the House over the next few weeks before making specific recommendations to Parliament, with a view to implementing the changes for students entering higher education in autumn 2012. More detail will be contained in next week's spending review on the funding implications, but as a strategic direction the Government believe that the report is on the right lines.

Browne acknowledges that

"the current funding and finance systems for higher education are unsustainable and need urgent reform".

The issue is how, and it has to be framed in terms of how the higher education sector contributes to the deficit reduction programme. There is also, I think, consensus that there should be no up-front tuition fees for students, which would seriously deter students from low and middle-income families, and this Government strongly oppose up-front tuition fees. Indeed, we share Lord Browne's conclusion that we should extend exemption from up-front tuition fees to part-time students—currently 40% of the student population—who have been unfairly discriminated against hitherto.

The question, then, is how much the graduate contributions for tuition should be. We are considering a level of £7,000. Many universities and colleges may well decide to charge less, because there is clearly scope for greater efficiency and innovation in how universities operate—two-year ordinary degrees are one approach. Exceptionally, Lord Browne suggests that there should be circumstances under which universities can price their courses above this point, but he suggests that this would be conditional on demonstrating that funds would be invested in securing a good social mix with fair access for students from less-privileged backgrounds, and in raising the quality of teaching and learning. We will consider this proposal carefully.

We believe it essential that if the graduate contribution is to rise, it should be linked to graduates' ability to pay. On average, graduates earn comfortably more than £100,000 over their lifetimes compared with non-graduates, but not all graduates benefit in this way. Some choose socially useful but modestly paid or unpaid work, which may include time spent bringing up a family. At present, the graduate contribution acts too much like a poll tax, and is not fair.

I therefore asked Lord Browne specifically to look at progressive solutions to the problem, and he has come up with persuasive proposals to deal with it. He suggests a £21,000 graduate income threshold before any payment is made—as against £15,000 at present—and that it be linked to average earnings. He also suggests that a real rate of interest should be paid, but only over that threshold. The effect is striking: 30% of graduates would pay less from their lifetime earnings than they do under the existing system. The top third of graduate earners would pay more than twice as much as the lowest third. That is fair and progressive. The Government broadly endorse that approach, and we will examine the details of implementation. The principle of needs-blind admission to universities must remain central.

The cost of university education to individuals and the state reflects living costs as well as tuition costs. The Browne report makes some constructive suggestions. We will make detailed proposals that will not only make it attractive for students from families of modest means to go to university, but be fair and affordable, including by exempting the poorest students from graduate contributions for some or all of their studies.

Lord Browne considers alternatives, including a graduate tax, which I believe the new leader of the Labour party favours. *[Interruption.]* I have consistently argued for a progressive contribution, which we are now delivering. Some key features of a progressive graduate contribution would incorporate the best features of a graduate tax. It would be collected through the pay packet at a rate of 9p in the pound above the £21,000 threshold and, combined with a real interest rate, as Browne recommends, it would be progressive and related to ability to pay. However, Browne identifies serious problems with what he calls a "pure" graduate tax. He concludes that the proposal is simply unworkable.

If there are any lingering doubts among those on the Opposition Benches, I strongly recommend that they read the open letter from the new shadow Chancellor to the new Labour leader three weeks ago, which reads:

"Oh, and for goodness' sake, don't pursue a graduate tax. We should be proud of our brave and correct decision to introduce tuition fees. Students don't pay them, graduates do, when they're earning more than £15,000 a year, at very low rates, stopped from their pay just like"—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the Secretary of State, but I want to hear every word of his statement, and every Member should want to do the same.

Vince Cable: I do believe, moreover, that we need to look beyond the graduate population. Some 55% of young people do not go to university. We must not perpetuate the idea, encouraged by the pursuit of a misguided 50% participation target, that the only valued option for an 18-year-old is a three-year academic course at university. Vocational training, including apprenticeships, can be just as valuable as a degree, if not more so.

Finally, there is a challenge to us all to promote a long-term sustainable future for higher education. This has been a difficult issue for all parties in the House. Those on the Opposition Benches have ranged between

[Vince Cable]

early advocates of a graduate contribution, such as the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) and the new shadow Chancellor, through to those implacably opposed to change and to the current Labour leadership, who have apparently embraced a graduate tax. The Conservatives initially campaigned against graduate contributions, but reversed their position. My own party consistently opposed graduate contributions, but in the current economic climate we accept that the policy is simply no longer feasible. That is why I intend, on behalf of the coalition, to put specific proposals to the House to implement radical and progressive reforms of higher education along the lines of the Browne report.

Mr John Denham (Southampton, Itchen) (Lab): May I thank the Business Secretary for his statement and for giving me advance notice of it? Is it not the truth that the coalition has decided to put the responsibility for reducing the deficit on to the personal bank accounts of this country's most ambitious and able young people, saddling them with debts that many will never pay off, when the Government should be opening doors for them to make the most of their ability?

Labour Members believe that higher education is important not just for individual graduates but for growth, prosperity, job creation and our ability to succeed in a competitive world. That is why, a few years ago, we took the tough decision to introduce fees, and it is why we invited Lord Browne to undertake his inquiry. We should thank him for his work. I welcome the raising of the threshold, the equitable treatment of part-time students and the emphasis on better guidance in schools and improved information on quality. Those were issues on which we asked Lord Browne to advise, to build on work that we had already begun. The £350 increase in the maintenance grant will of course be offset by the abolition of the £329 bursary for poorest students. In the spirit of cross-party co-operation, will the Business Secretary promise today to make available to the House and the wider public the economic models used by Lord Browne?

It is clear that Lord Browne's report has been crucially shaped by the assumptions that he has had to make about coalition policy. Will the Secretary of State confirm that Lord Browne's report assumes that the teaching grant for higher education will be cut by 80%? That would effectively end the public funding of most courses, and place the responsibility for paying for higher education on to students alone. Will he also confirm that some universities could lose more than 90% of their public funding? Is not the row within the coalition conveniently obscuring the biggest cuts to a publicly funded university system that we have ever seen? Tough decisions have to be made to cut the deficit, but even in its plans for reckless, deep and rapid cuts the coalition is planning cuts of only 25%, so why is it singling out higher education for such a massive and disproportionate cut? Our competitors around the world are investing in higher education because universities are a key driver of growth and new jobs. Why is the coalition turning its back on growth?

The Business Secretary says that some universities might charge less than £7,000. Does he accept that an average fee of £6,000 would cut university funding by £300 million? He says that he is considering a £7,000 basic fee. On 28 April this year, the leader of the Liberal Democrats—now the Deputy Prime Minister—said:

> "If fees rise to £7,000 a year...within five years some students will be leaving university up to £44,000 in debt. That would be a disaster. If we have learnt one thing from the economic crisis, it is that you can't build a future on debt."

So what exactly is the difference—*[Interruption.]* That was the Deputy Prime Minister's conclusion. What exactly is the difference between the £7,000 a year fees that he believed would be a disaster and the £7,000 a year fees that his Business Secretary now proposes? Promises were made by the Business Secretary and the Deputy Prime Minister at the last election that should not be lightly thrown away. The trust of politicians is a matter not just for the Liberal Democrats but of the integrity of this House as a whole.

Is it not true that Lord Browne's report makes proposals that would leave many graduates paying off their debts when their own children start university? Is it not true that, while the average graduate today pays off their loan in 11 years, under these proposals the majority of students would not throw off the burden of debt for 30 years? Is it not true that the middle-income graduates—the teachers, police officers, engineers and middle managers, who are often the same people losing their child benefit—will pay more than their fair share? They will pay longer and pay more interest than the higher earners, who can pay off their loans more quickly. Is it not true that women will be in debt longer than men and pay more interest on their loans?

Will the Business Secretary be more explicit? Does he support the ending of the fee cap? A student taking a course costing £12,000 per annum will leave with a total debt, including maintenance, of £47,250, compared with the £32,000 debt that the Business Secretary says is the basic one. Can we not all recognise that, in the real world, too many able students will turn their backs on the university and the course best suited to them and be forced to shop around for the cheapest option? Will the Secretary of State accept that the Browne proposals on access to the most selective universities lack any teeth or any strength?

The Secretary of State once advocated a graduate tax because he believed that it could produce a manifestly fair and progressive system, with those who can most afford it making the greater contribution. Now, he has been told that he does not support a graduate tax. Given the promises he and his colleagues made at the election, does he not agree that we all have the right to demand that any proposals meet the same tests of fairness that he used to support?

Vince Cable: May I welcome the right hon. Gentleman to his new post? He was a much respected Minister in the previous Parliament and was regarded as a man of considerable integrity, mainly because of his resigning from the Blair Government over the Iraq war. Whatever our differences, he will be respected for that decision.

I should be interested to find any quotation marks indicating that I have ever advocated a pure graduate tax. In the South Bank university speech, I advocated a progressive graduate contribution. That is what this statement is all about.

The thrust of the right hon. Gentleman's comments related to deficit reduction—a problem on an enormous scale that we inherited from him and his colleagues.

May I remind him that according to the analysis conducted by the Institute for Fiscal Studies, my Department—the one that he shadows—was, under a Labour Government, confronting cuts of 20% to 25%. About 70% of that budget is for higher education. He and his colleagues have already said that they do not accept the cuts in regional development agencies and they do not accept cuts in science. They were therefore planning to make massive cuts in the university teaching budget. It is just sheer hypocrisy to stand up here and tell us—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the Secretary of State. I know that feelings are running high on this subject—*[Interruption.]* Order. The more noise there is, however, the slower progress will be. Very large numbers of Members wish to participate. I want to help the House, but the House has to be prepared to help itself.

Vince Cable: I repeat that Labour Members, who landed the country in this enormous deficit problem, have to begin to spell out what it is that they would cut. It would include universities; let us be under absolutely no doubt about that.

The right hon. Gentleman had the extraordinary nerve to talk about building a future on debt. I and many Members will recall my warning the former Prime Minister five, six or seven years ago about the dangerous escalation of private debt in this country, which has led to British households having more debt in relation to their income than those in any other country in the world. This is what we inherited. He and his colleagues introduced a system of tuition fee funding that is built on debt. They introduced a system of repayment over 25 years; we are extending that, potentially, to 30 years. What is the fundamental objection in terms of personal debt? The right hon. Gentleman has given no convincing explanation of what alternative he is recommending.

I think we need to get to the bottom of this. The right hon. Gentleman did get around to talking abut the graduate tax. Is that now the policy of the Labour Opposition, or is it not? We know that the shadow Chancellor is opposed to it, and that his leader is in favour of it. The right hon. Gentleman is sitting uncomfortably in the middle. What is his position?

The right hon. Gentleman says that the policy recommended by the Browne report, which we have endorsed in outline, is hard on middle earners. Let us confront that proposition. We inherited a system that effectively amounted to a poll tax. That was the way in which the student tuition fee system operated. We required Browne to produce proposals for a progressive formulation. Such a progressive contribution would not have come about if this Government had not intervened and asked Browne to produce proposals. That is the commitment that we have made to middle earners, many of whom will not have to pay the full rate of tax.

Let me read the right hon. Gentleman a comment made by the independent Institute for Fiscal Studies. Opposition Members frequently quote its views, as they did in the aftermath of the Budget earlier this year. The IFS said that

"those in the bottom 30% of lifetime earnings would actually pay back less than under the current system"—

that is, the system that the right hon. Gentleman operated. Only the highest-earning 30% of graduates would pay back the full amount of their loans. That is the progressive system with which we are identified, and with which the previous Government had no intention of proceeding.

Finally, let me confront the pledge, the promise, that my colleagues and I—*[Interruption.]* Yes, I am confronting that issue: the issue of the pledge that my colleagues and I undertook to implement. In the current circumstances, we cannot implement it. I fully accept—*[Interruption.]*

Mr Speaker: Order. The Secretary of State must be heard. Members have challenged him. He is dealing with the point according to his own lights, and the House must hear him.

Vince Cable: As I was saying, I fully accept that, but let me explain. I believe that Members in all parts of the House will share this experience. Like many of them, I was the first person in my family to stay at school beyond the age of 15. I went to university free of charge, with no fees or maintenance costs to pay. They were paid for me by the state.

Like many Members, I wanted to ensure that my children's and my grandchildren's generations enjoyed that free system of university education. In an ideal world, that is what we would do, but we are not in an ideal world. We are in a world in which we have inherited a massive financial mess. We have come to terms with reality, and it is time that the right hon. Gentleman and his friends did the same.

Several hon. Members *rose—*

Mr Speaker: Order. First, I remind right hon. and hon. Members that questions must be about the policy of the Government: what it is, or what it should be. Secondly, in view of the very large number of Members seeking to catch my eye, I underline the importance of each Member's asking a single short supplementary question—and, of course, I remind the Secretary of State of the merits of pithy replies.

Mr David Evennett (Bexleyheath and Crayford) (Con): I welcome the Secretary of State's statement and commend the Browne report, which is a really constructive piece of work.

We need world-class teaching in our universities and we need world-class research in our universities, so reform must come, and we accept what the Secretary of State has said. Does he agree that the quality of student experience of teaching, tutorials and careers advice needs to be improved, and that we also need more innovative part-time courses?

Vince Cable: I very much agree; indeed, one of the incentives provided by this new system will be encouraging part-time courses, and therefore part-time learners, who have been discriminated against in the past. It will also bring pressure to bear on universities to improve their teaching performance, which is highly variable. In the university system, promotion tends to be earned through research rather than teaching quality. Universities will now have to attract students, so they will have to provide quality teaching throughout the system. That is one of the big advantages of the reforms we are undertaking.

Mr Jack Straw (Blackburn) (Lab): The leader of the Liberal Democrats said on 28 April that increasing student fees to £7,000 would be "a disaster". If it was a disaster on 28 April why is it not a disaster now?

Vince Cable: I have already explained the necessity, for economic reasons, of pressing ahead with these reforms. They have great advantages in themselves, but they also help us to address the massive deficit left by the previous Government, in which the right hon. Gentleman served throughout.

Nick Boles (Grantham and Stamford) (Con): It was a great hero, I believe, of the right hon. Gentleman who said:

"When the facts change, I change my mind."

When the facts change, does not the new Leader of the Opposition bury his head in the sand?

Mr Speaker: I apologise to the hon. Gentleman for having to deal with this matter in this way, but questions must be about the policy of the Government and, unfortunately, that one was not.

Geraint Davies (Swansea West) (Lab/Co-op): Does the right hon. Gentleman accept that if higher fees to attend the best universities deter poor students from going to them, the most able students will not go to the best universities and Britain will be the poorer for it?

Vince Cable: Yes, the hon. Gentleman is right. There is a real issue here, and it relates to the Browne review's proposals for variable fees, which I made very clear we are still considering. Let me set out the argument. On the one hand we have world-class universities—four of the 10 leading universities in the world are in this country and we want to keep it that way—and they are making a very strong case for variable fees. On the other hand, however, if that were to be accepted large numbers of people from modest backgrounds would be deterred by highly priced courses at universities such as Oxford and Cambridge, and we see the psychological impact of that—it is very real. We need to weigh up those two factors. That is why, although I have come to the House with the firm proposal of our support for the £7,000 limit, we want to consider further how we might balance those two issues in relation to variability of fees.

Mr Julian Brazier (Canterbury) (Con): In welcoming the broad thrust of this report, may I say to my right hon. Friend that his two priorities for such public money as is available should be the protection of excellence and of the position of less well-off people who want to do courses?

Vince Cable: Indeed. Those two considerations are at the heart of the Browne report, and that is one of the reasons we have gone along with the thrust of its recommendations. There are proposals that we still have to make—and which, of course, will depend on the spending review—in relation to the maintenance package of grants and loans, which will, of course, affect the least-advantaged people in society. I cannot give details on that today, but that central point is clearly uppermost in our policy.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Conspicuously absent from the Secretary of State's statement was any projection of the amount of increased funding for universities that would accrue from these measures. Are they designed to provide extra funding for the universities, which we need for an advanced industrial economy, or are they designed just to finance cuts in public expenditure?

Vince Cable: I am not going to announce a week ahead of the spending review the details of what it will entail, which is why I could not answer the specific questions the right hon. Member for Southampton, Itchen (Mr Denham) asked about percentages. Of course, as a result of the very difficult cuts we are going to have to make, there will be a replacement of Government funding for teaching with graduate contributions. That is very clear, and it was at the heart of the Browne report as well as of Government policy, but the upshot will be that there will be adequate funding for universities as a whole so that they are in a position to maintain their current standards of excellence. As the hon. Gentleman implies, they are world class and we must keep them that way.

Simon Hughes (Bermondsey and Old Southwark) (LD): As my right hon. Friend listens to the responses to the Browne report and develops the Government's final proposals in the weeks ahead, can he tell me how he will ensure that our Government do not do anything to discourage young people from estates such as the Tabard Gardens or the Four Squares in my constituency, and millions of others, from going to university because of the risk of having significant debt at the beginning of their working lives?

Vince Cable: Yes, indeed. We certainly need to be very conscious of the position of people at the bottom end of the social scale, which is why I emphasise the importance of a social mix in universities, and of course of middle earners too; this is not simply a question of the most deprived communities. Two issues affect the people about whom my hon. Friend is concerned. The first is the poverty of their own families, which is why we need to have generous support, through grant and loan provision, for maintenance. The other is the psychological impact of people being deterred by extremely high fees, which potentially some universities would charge if they were allowed unlimited permission to do so. That is why we are hesitating before accepting that recommendation and are considering carefully the very strict conditionality that would have to be attached to any movement on that score.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Secretary of State agree that our higher education sector is one of the most successful in the world and is probably our single most successful sector, and that that is so not because of the top four or top six universities, but because of the 100-plus universities that provide a fantastic service? We had this blood on the floor when we introduced top-up fees all those years ago, but after we did it we could see that the money we raised flowed into university salaries and into research. Will he guarantee me not only that this money will flow into our universities, but that he will not cut drastically the universities' budgets in a week's time?

Vince Cable: I can certainly guarantee the hon. Gentleman that these sets of proposals will be welcomed by the university sector; if he reads the response of Universities UK, he will find that it welcomes them.

Mr Robin Walker (Worcester) (Con): I welcome the report's recommendations to extend support to more part-time students and to raise the threshold to £21,000, both of which would benefit students at the university of Worcester, which I represent. However, may I urge

the Secretary of State to ensure, in implementing this report, that such universities, which have a strong record of securing long-term employment for their students after graduation, are encouraged to continue to focus on employability?

Vince Cable: Yes, there is a major problem of employability, as unfortunately we have a growing pool of graduate unemployed. At the same time, there is a chronic shortage in some subjects, notably science, technology, engineering and maths—STEM subjects—which suggests that the existing system is not giving the right signals to universities. What we certainly want to see is much greater attention being given to universities' demonstrating their record on employability, performance and teaching, so that students can make informed choices in future.

Mark Durkan (Foyle) (SDLP): Will the Secretary of State acknowledge that although the Browne report's proposals address higher education institutions in England, they will have implications for such institutions in Northern Ireland? They will certainly have implications, by way of variable fees, for students who would wish to come to courses here. Will he discuss those implications with relevant Ministers in the Northern Ireland Executive and in Scotland, or does he hope by default to impose the policy changes that he has just undertaken on the devolved Administrations?

Vince Cable: Of course we respect the separate position of the different nations of the UK, and I am very happy to discuss it with the hon. Gentleman.

Pete Wishart (Perth and North Perthshire) (SNP): What about Scotland?

Vince Cable: The hon. Gentleman asks about Scotland. I was there last week discussing this with university authorities, who told me that the existing model in Scotland is not sustainable and that they may well have to move to a model similar to that in England and Wales. So I think that in Scotland, as elsewhere in the UK, these realities will have to be faced.

Mr Rob Wilson (Reading East) (Con): May I welcome Lord Browne's report, the Secretary of State's statement, and his recognition that a graduate tax would be ruinous for this country? Could the right hon. Gentleman reassure the House that under his plans, no student will be penalised for early repayment of their loan?

Vince Cable: It is certainly feasible under the existing system—and it will be in future—for people to pay their obligations early, but we need to be very clear that we cannot allow very affluent people to be able to buy their way out of their obligations under a fair graduate contribution system. Anybody who has tried to pay their mortgage back early will have discovered that there is something called a redemption fee to maintain the integrity of the system. We need to look at ways of ensuring that there is no mechanism that allows people to avoid making a fair contribution to universities.

Mr David Lammy (Tottenham) (Lab): Can the Secretary of State confirm that when we set up the Browne review, we asked Lord Browne to look at an employer contribution? The Secretary of State said nothing in his statement about the position of employers, despite the fact that they clearly benefit from higher education. Will he take this opportunity to correct that position?

Vince Cable: We will certainly look at that suggestion, but I have not heard any detailed, practical proposals from the right hon. Gentleman or anyone else on the subject. A good many courses at university, particularly apprenticeships at university level—at skill level and full level—are funded by employers, and I am sure that we would want to see that extended.

Stephen Williams (Bristol West) (LD): I also thank Lord Browne for his report, and am thankful for the influence of the Secretary of State and Liberal Democrats in the coalition Government; it has made the report rather more progressive than the original commissioners might have envisaged when the remit was set. Much of the attention has been on collection arrangements once people graduate, but far more attention needs to be paid to young people much earlier in the graduate journey, when they are teenagers making their decisions in, say, the deprived parts of Sheffield or Bristol, or even in the south Wales valleys. Will my right hon. Friend undertake to ensure that much more attention is given to that stage, so that children from poorer backgrounds see that university is for them?

Vince Cable: Yes, absolutely, and that message fits in with the broader direction of Government policy on education. The simple truth is that very large numbers of people are being failed by the school system at present. They have to find a second chance, for example in further education colleges. That direction of policy—particularly with the idea of the pupil premium, which will help people through the school system—is very much part of our thinking, and we intend to carry that philosophy into the university sector.

Andrew Miller (Ellesmere Port and Neston) (Lab): The Secretary of State emphasises the importance of STEM subjects. What with today's report, the propositions that are starting to emerge in relation to the comprehensive spending review, and the impact of changes to overseas student rules, does he not see that he is leading us headlong towards massive cuts in STEM provision? Which departments does he want to see closed, and which does he want to keep open?

Vince Cable: I certainly do not want to see that outcome; we want to see the exact opposite. We want more investment in STEM subjects. The hon. Gentleman will know that a level of, say, £7,000 would not cover the full costs of many STEM courses, and the Government will continue to support them through the teaching grant.

Claire Perry (Devizes) (Con): I was lucky enough to go from my outstanding comprehensive school to a world-leading university, and then took time out of the work force to raise my family—a decision that I have never regretted. Millions of women choose to do the same. Can the Secretary of State assure the House that there will be provision, when the proposal eventually comes to Bill stage, for women like me—and, indeed, men—who choose to take time out to raise their family and then return to the work force?

Vince Cable: Yes, indeed, and that is a very important consideration. Of course we want women to have equality. The gender gap has got to be closed, and the issue of

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taking time out is an important part of that. Of course, during the period that women—or men, in certain circumstances—take out of the labour force to care for their families, the real interest rate would not accrue.

Heidi Alexander (Lewisham East) (Lab): Like the Secretary of State, I was the first person in my family to go to university. The key thing is that I am not sure that I would have gone if I faced the debt that is likely if the general thrust of Lord Browne's report is followed, as the Secretary of State said it would be. What reassurance can he give young people from backgrounds like mine that they will not be unfairly disadvantaged by the reluctance of his Government to invest properly in higher education?

Vince Cable: The Government are going to invest in higher education. It will be properly funded as a result of this package. I make the point to the hon. Lady again—I made it in my statement—that the average university graduate earns cumulatively over a lifetime well over £100,000 more than someone who chooses not to go to university. That is a substantial graduate premium. We need to communicate to many people in disadvantaged communities that it is in their interests to pursue higher education. We will make sure through the careers service, a proper system of advice and the support that we give in maintenance that they have that opportunity.

Dr Julian Lewis (New Forest East) (Con): Will it not be a sad day for academic meritocracy if and when able students from poor backgrounds are deterred from going to top universities because those universities are allowed to charge more than other universities in fees to students?

Vince Cable: Yes, the hon. Gentleman is quite right, and for that reason he will recall my comments about the need to be careful about following through the request of the Russell group universities for unlimited fees. There are serious problems with that. Of course there are advantages in terms of world-class universities, but we need to be careful about going down that road, and we will reflect further on it.

Paul Farrelly (Newcastle-under-Lyme) (Lab): I strongly oppose variable tuition fees and a market in higher education, and so did the Liberal Democrats. May I tell the Secretary of State today that the Lib Dem website still has a six-point timetable for scrapping tuition fees, and it is in a section entitled "What we stand for". The coalition agreement already includes provision for Liberal Democrats to abstain on the issue and not opt out from what they stand for.

May I ask the Secretary of State this question? Today he has nailed his colours to the mast on variable tuition fees and a market in higher education, but what is it to be for other Liberal Democrat Ministers? Is it to be their manifesto and a principled orange line in the sand or betrayal of their voters and a miserable white flag of surrender?

Vince Cable: When the Government's economic policies have produced the successful outcome that we all expect, we can return to the question of how universities can be supported in a more generous way, but at the moment we face a massive financial crisis that we inherited from the Labour party and we therefore have to make choices that he and his colleagues ducked.

Jason McCartney (Colne Valley) (Con): Young people in my constituency have some wonderful options on their doorstep. There is Huddersfield university and the expanding Kirklees college, and some local engineering companies are offering apprenticeships. With that in mind does the Secretary of State wish to revise the target of 50% of young people going to university, or is he sticking by it?

Vince Cable: We do not believe in prescriptive targets. The 50% target was a serious mistake, not least because it sent the wrong signals to the further education sector that it was undervalued and that vocational qualifications did not have the same status as graduate degrees. We intend to change that approach fundamentally and look at post-16 and post-state education as a whole, giving vocational and academic education equal status.

Yasmin Qureshi (Bolton South East) (Lab): Does the Secretary of State agree that implementing Lord Browne's review will lead to the financial collapse of 30 wide participation universities such as Bolton in my constituency, which has a number of mature students attending it? Will he ensure that the interests of students such as those attending Bolton university and others are protected?

Vince Cable: I think the hon. Lady's central point is that it is possible that some universities will be in financial difficulty. They already are under the existing system, and we are having to consider how universities in that position will be dealt with. The analogy is with the banking system. If banks collapse, the depositors are protected—in other words, the students are protected so that they can complete their education—but the management of failed institutions has to change. We are currently working through a failure regime to deal with institutions that find themselves in difficulties. The number that the hon. Lady mentions is almost certainly implausibly high, but there will be some.

Dr Sarah Wollaston (Totnes) (Con): Will the Secretary of State consider carefully how we can prevent students from being deterred from undertaking longer courses such as medicine and pharmacy—very able students in particular may be put off those courses—perhaps by introducing a three-year cap on fees?

Vince Cable: The answer to that question is similar to the one that I gave on the other STEM subjects. Medicine is a costly course, which is why continuing support is needed through the teaching grant from Government to keep graduate contributions at a moderate and reasonable level, and that is what we shall aim to do.

Kelvin Hopkins (Luton North) (Lab): I was one of 33 Labour Members who voted against the introduction of fees in 1998. I took that view then, and I have not changed it at all—I do not believe that it is unaffordable or unsustainable. May I suggest to the Secretary of State that the Government seriously attack the tax gap, as less than 10% of the tax gap would pay for fees or, indeed, a quarter of the amount of tax breaks for the rich on their savings?

Vince Cable: I think that the hon. Gentleman will have to apply his considerable powers of persuasion to his Front-Bench team, because they have not yet caught up with his ideological journey.

Mary Macleod (Brentford and Isleworth) (Con): Will my right hon. Friend consider a reduced graduate contribution for those subjects where we have a real need and where there is a skills gap such as maths, science and engineering?

Vince Cable: I thank the hon. Lady for her question but, again, I have answered that in different ways. We accept that one of the fundamental problems at the moment is the imbalance in the graduate population. There is a severe shortage of engineers in particular, but in STEM subjects in general. Unfortunately, there is a growing pool of graduate unemployment in other areas, so we must support the STEM subjects, and we will continue to do so through the teaching grant.

Helen Goodman (Bishop Auckland) (Lab): The Secretary of State mentioned the advent of real interest rates, but he does not seem to understand that their introduction means that a maths teacher on a middle-income salary will ramp up a bigger debt than, for example, an economist in a multinational company. Is he trying to tell us that in reality injustice is the new fairness?

Vince Cable: I know that the hon. Lady is highly economically literate, going back over her history, but I think that on this particular issue, she has not read the report or perhaps not followed it closely enough.

The proposal for real interest rates applies only above the £21,000 threshold. Some numbers were published on the front page of *The Guardian* this morning that probably gave rise to the conclusion that the hon. Lady has drawn. Those figures are wrong, and the Institute for Fiscal Studies, which was quoted, has disowned them. It is clear from the analysis that the structure is progressive, but not in the way that she described.

Tony Baldry (Banbury) (Con): For many mature students, the most cost-effective way to pursue a university degree is to do so as close as possible to their own home. Will my right hon. Friend encourage universities to collaborate much more closely with the further education sector to use FE campuses to help them deliver higher education degrees?

Vince Cable: That is a helpful intervention, and I completely agree. We certainly wish to see the university sector evolve in that direction more flexibly, providing more genuine choice, including two-year degrees, and portable qualifications between universities. The model that the hon. Gentleman described is very much the model of the future. I used to teach in a Scottish university where that was the norm, and that is a form of good practice that we could adopt here.

Naomi Long (Belfast East) (Alliance): A number of Members have referred to the most regressive part of the report on variable fees, although it promotes as a positive the proposal that universities should compete on price. Will the Secretary of State give us his reassurance that he will look at that again to ensure that students choose the course best matched to their intellect and ability, not their bank balance?

Vince Cable: We already have variable fees as a result of the system that was brought in under the last Government. The difficult issue now is how far to allow variability, particularly for a small group of universities that want much larger fees, and, as I have already said, I am very conscious of the problems that that would present.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): To ensure that students do not end up with increased amounts of debt from which they then do not reap the rewards, what support does the Secretary of State intend to give pupils to ensure that they choose the right courses, and that when a course does not necessarily suit, a mechanism is in place to prevent them from being kept on it for the purpose of funding the university rather than their own education?

Vince Cable: That is a good question about one of the imperfections of the system at the moment. Many young people go to universities completely unaware of the employment possibilities that arise from their university education, and one thing that we hope to ensure through the information systems that will develop is that people will know exactly the performance of the universities and departments that they intend to go to, and the employability that would result from that. I hope that that will avoid the kind of problems that my hon. Friend describes, which are currently very serious indeed.

Liz Kendall (Leicester West) (Lab): Whatever the merits or demerits of the Browne review, will the Secretary of State admit that not just he or the Deputy Prime Minister but every single Liberal Democrat Member has broken a firm pledge that they made to the voters less than six months ago? Yes or no?

Vince Cable: As I think I said earlier, the roads to Westminster are covered with the skid marks of different political parties changing direction on this issue, not least those on the Opposition Benches. I would say this at the present stage: the two parties in the coalition are now very much agreed on the way forward. When we look opposite, we see two fundamentally different approaches to higher education—the existing system favoured by the shadow Chancellor, and a new system of graduate taxes favoured by their leader.

Andrew Percy (Brigg and Goole) (Con): We are all agreed on the need to ensure that the very best people go into our public services where perhaps salaries are somewhat lower. With those graduates now potentially facing largely inflated and increased debts, what assurances can we have that the very best graduates will be supported in going into our public services under these proposals?

Vince Cable: Anybody going into relatively low-paid employment, whether in a vocational approach to public service or in other ways, will be protected both by the £21,000 threshold and the system of variable interest rates. Many, many people in low-paid occupations will not be required to pay off any accumulated debt. It will be written off at the end of the period as a result of the progressive element built into the proposals.

Anas Sarwar (Glasgow Central) (Lab): As has been said, every single Lib Dem MP signed the pledge—and appeared in a photograph—to vote against any fees increase. The question is: what will they choose—power or principle?

Vince Cable: The Opposition do themselves no favours simply drawing attention to the fact that they themselves are hopelessly divided on the issue and have no answer to the issue of how higher education would be funded.

Greg Mulholland (Leeds North West) (LD): Yesterday, the Prime Minister said that coalition politics involved compromise, and he was absolutely right. However, will the Secretary of State accept that there has been compromise by many people who now accept that in the current economic climate it is no longer possible to abolish tuition fees at their current rate? Does he also accept that increasing fees to more than twice the level that they are at is a compromise that some people simply cannot and will not accept?

Vince Cable: I know that the hon. Gentleman has strong feelings on the subject and we have debated it. The first part of his question posed the problem correctly. The idea of abolishing tuition fees or even freezing them at their present level is simply not feasible, and I think that he acknowledges that. We must work towards a level; I specified £7,000 on behalf of the Government, which we think is the only way in future in which universities can be properly funded to carry out the functions that he and all of us want to see them perform at world-class level.

Clive Efford (Eltham) (Lab): The only thing that has changed since the Secretary of State and his colleagues put their skid marks on the student declaration before the general election is the scale and speed of the cuts that the Liberal Democrats have signed up to and are supporting the Tory party in carrying out. Children from many middle-income families will be turned from going to university as a result of these changes. If the changes come about, will the Secretary of State give an undertaking that any future changes will come back to the Floor of the House, as they have to now, and that they will not be able to be slipped through by some future Secretary of State who wants to increase fees even further and deter even more students?

Vince Cable: I think that the hon. Gentleman came to the House the same year that I did. Before we get any more righteous indignation from Labour Members, I should say to him that he may remember campaigning on a manifesto that promised to abolish top-up fees but did absolutely nothing of the kind when the Government were returned.

Elizabeth Truss (South West Norfolk) (Con): Will the Secretary of State examine the international evidence that shows that countries with higher fees and a decent loan system to support them have higher participation from the lowest-income quartile socio-economic group? I am thinking of the US, which has 50% participation from the lowest-income quartile, and Australia, which has 30%. That compares with 17% in this country under the previous Government.

Vince Cable: My hon. Friend is absolutely right and she is right to emphasise the fact that the approach that we are recommending is evidence-based. Certainly she is right about the combination of graduate contributions, which are progressive, and proper support in the form of maintenance for students from deprived backgrounds. In that way, we get high quality and social mobility as well.

Kevin Brennan (Cardiff West) (Lab): In his remarks, the Secretary of State made reference to the pledge that he and some of his colleagues apparently signed. I have not seen it. Could he tell us what it says? Will he place a copy of it in the House of Commons Library, so that hon. Members can study it more carefully and perhaps give it a wider audience?

Vince Cable: The sense of humour coming from Opposition Members is becoming a little bit tired even for those among their own ranks. If we want to play silly games, I am afraid that I will constantly have to go back to them and ask how, if they do not want a system of graduate contributions of the kind that we are recommending, they would fund the system, given the massive cuts that they would have to make if they were still in government clearing up the mess that they created.

Iain Stewart (Milton Keynes South) (Con): I particularly welcome Lord Browne's proposals about part-time students. My constituency is home to the Open university and I am well aware that part-time students are currently at a disadvantage because they have to pay up-front fees and that the part-time sector was hit badly by the previous Government's decision on equivalent and lower qualifications. I draw my right hon. Friend's attention to comments this morning from the vice-chancellor of the Open university. He urges the Government to seize this historic moment and, once and for all, level the playing field between full-time and part-time students.

Vince Cable: My hon. Friend is quite right. More as a result of negligence than intention, the last Government did terrible damage to the Open university and Birkbeck. We are very conscious of that problem and of the need to encourage part-timers and treat them on the same basis as full-timers. He is right to point out that this morning there was a very positive endorsement of the Browne report and its approach from the heads of those two institutions.

Thomas Docherty (Dunfermline and West Fife) (Lab): The House will know that the National Union of Students will be holding a demonstration on Wednesday 10 November. Will the Business Secretary have the courage to come with me, face student leaders and explain why he has betrayed the promise that he made just a few weeks ago?

Vince Cable: I am in constant touch with the National Union of Students. We have a very good dialogue with its representatives. They have made suggestions, some of which are helpful and some of which involve very substantial reductions in the amount of student maintenance support, to keep fees down to a level that they would prefer. We are continuing the dialogue. We welcome it, and it is good natured. We disagree on this particular point.

Mr Sam Gyimah (East Surrey) (Con): Will the Secretary of State confirm that the current system, in which students incur debt that they have to pay back when they finish, and do not have any advice or support in choosing the right courses or understanding their employability when they finish them, is significantly worse than what is being proposed today, which is more support and advice?

Vince Cable: We have covered this point several times, but it is worth reinforcing. Simply introducing a higher level of contributions, albeit a fairer one, will not in itself produce good outcomes unless students are properly informed about the advantages and disadvantages of going to different institutions. That is a key parallel component of the policy that we are adopting.

Mr Wayne David (Caerphilly) (Lab): Has the Secretary of State given any thought at all to the impact of these policies on Wales? I am thinking in particular of Barnett consequentials.

Vince Cable: The Chancellor will announce his wider proposals on public spending, but as far as I know there is no intention to change the Barnett formula.

Stephen Mosley (City of Chester) (Con): In many university towns, students play an important role in the local economy. Will the Secretary of State outline his proposals for how to support student living costs?

Vince Cable: As I have indicated, student living costs and the maintenance to pay for them will be subject to a series of separate announcements. Once the spending review is announced, we will know how much it is possible to provide in the form of grants and maintenance loans. It is worth pointing out the base that we start from, which is that the current system of support for maintenance is probably the most generous in the world. As the hon. Member for Banbury (Tony Baldry) pointed out a few moments ago, it is quite possible that we could move to a more sensible system whereby many students study in their home town.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Are these proposed funding arrangements based on the current number of students attending undergraduate courses or on the inevitably reduced number who will attend due to very high fees? If fewer students attend university, does the Secretary of State expect that there will be still fewer students paying even higher fees in future, with fewer universities existing to supply their courses?

Vince Cable: That question rather disregards past experience. There was a great deal of pessimism about the consequences of the system that the previous Government introduced. In the first year, there was indeed a fall in applications, but applications subsequently continued to rise. On the basis of our own historical experience and the experiences of other countries, we have no reason to believe that that pattern will not be repeated.

Mr Peter Bone (Wellingborough) (Con): I congratulate my right hon. Friend on his courageous statement. Is not one of the great advantages of the coalition Government that Members on the Government Benches can disagree and reach a better policy? Some coalition Members might vote the other way, but the Government will continue.

Vince Cable: We can disagree, but I think that we actually agree to a remarkable extent. However, there is a coalition agreement, and under its terms my colleagues who feel that our policy does not meet their expectations can abstain.

Albert Owen (Ynys Môn) (Lab): I made a pledge to students in my area that I would vote against an increase in tuition fees, and I will stick to that pledge. Further to the question asked by the hon. Member for Foyle (Mark Durkan), has the Secretary of State assessed the implications for the devolved Administrations? The implication for Wales could involve a sum as great as £140 million. Has he also discussed the matter with relevant Ministers?

Vince Cable: We have certainly discussed the matter with relevant Ministers, and we can produce a formal analysis of what the policy will mean for different parts of the UK. That is a perfectly legitimate matter to pursue.

Martin Horwood (Cheltenham) (LD): I still support the eventual abolition of all domestic tuition fees, although that is possibly more than six years off now. However, will my right hon. Friend confirm clearly whether he intends less well-off students to pay less while at university than they did under the Labour Government, and less well-off graduates to pay a smaller proportion of their wages in tuition fee repayments?

Vince Cable: That is factually correct and has been endorsed this morning by the Institute for Fiscal Studies. My statement was originally going to say that 20% of graduates would pay less than they do at the moment, but I was fortified by discovering from the IFS's commentary that the percentage is actually 30%. Almost one in three graduates will pay less than they do at the moment under the scheme that the Labour Government introduced.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Earlier, the Secretary of State used the term "hypocrisy". As my hon. Friends the Members for Glasgow Central (Anas Sarwar) and for Leicester West (Liz Kendall) have highlighted, it is hypocrisy that he and every single one of his Lib Dem colleagues signed the National Union of Students election pledge just five months ago. My hon. Friend the Member for Cardiff West (Kevin Brennan) has asked what was in that pledge, so it will be useful for us to remind ourselves. The pledge said:

"I pledge to vote against any increase in fees in the next parliament".

Will the Secretary of State confirm that he and all his Lib Dem colleagues will break the personal promises that they made to their local constituencies?

Vince Cable: I signed that pledge with my colleagues, and I have explained the reasons why I did so. It was a stand from a commitment to try to keep universities free, which is what I enjoyed. I have explained, however, that in the current financial situation, which is truly appalling and which we inherited, all commitments and pledges will have to be re-examined from first principles.

Paul Uppal (Wolverhampton South West) (Con): I commend the Secretary of State for making his statement. Does he agree that the contribution made by graduates is not only economic and that it relates to social capital? They provide positive role models in society and make a contribution back into the community. The way we will achieve that is through the Finance (No. 2) Bill.

Vince Cable: I think, if I understand the question correctly, that the hon. Gentleman is making the point that there are high social as well as private returns from higher education. That is one of the reasons why the Government continue to support it.

Several hon. Members *rose—*

Mr Speaker: Order. I am keen to accommodate some more colleagues, but brevity is now of the essence.

Barry Gardiner (Brent North) (Lab): At the beginning of his statement, the Secretary of State commended my right hon. Friend the Member for Southampton, Itchen (Mr Denham) for his integrity in resigning from the previous Administration. Given that the Secretary of State has now told the House that he will not honour his pledge, will he show similar integrity?

Vince Cable: I was completely sincere, and I commend the decision that the right hon. Member for Southampton, Itchen took. I hope that he will maintain that tradition of integrity by explaining how the Labour Opposition intend to finance higher education.

Sajid Javid (Bromsgrove) (Con): Although the Browne report was commissioned by the previous Government, it rightly received cross-party support in recognising how difficult the subject is. Is the Secretary of State as saddened as I am that, following the Labour leadership election, that cross-party consensus seems to have broken down? It is not working in the national interest.

Vince Cable: I genuinely hope, even at this late hour, that that consensus has not broken down. The right hon. Member for Southampton, Itchen was ambiguous in his approach to graduate tax; he referred to it, but he did not commend it. It may be that that is part of a journey—a rather short one—back to some form of consensus on higher education. There have been occasions when the parties in this House contributed greatly to long-term economic thinking. On the pension age and the age of retirement, for example, we came together on very difficult decisions. It has been a struggle to get all three parties to face up to the realities of the costs of higher education, but I have not given up on the Opposition.

Sheila Gilmore (Edinburgh East) (Lab): The Secretary of State has said that before May he did not consider that a huge increase in tuition fees was needed or desirable for the long-term funding of our universities and students. The only thing that appears to have changed in his thinking is his belief that the deficit has to be wiped out very quickly. Why are two or three whole generations of students being asked disproportionately to pay for that deficit? Is he not mixing up the long term, which is what the Browne report was supposed to be about, and the short-term issues relating to how we overcome the deficit?

Vince Cable: I know that the hon. Lady did not mean this, but it is often believed that fees are paid by students as they study, but they are not. We are talking about a graduate contribution that extends for a considerable period and that will relate to the ability to pay. She seems to be minimising the substantial financial problem that the Government have inherited, which is severe. I hope that Opposition Members will become a little more serious about the country's financial problems.

Mr Steve Brine (Winchester) (Con): I congratulate the Secretary of State on his statement and Lord Browne on his work. As the Secretary of State works on his proposals on encouraging lower-income students who might never have thought that university was for them to go, will he consider the work of organisations such as Aimhigher, which is based at the university of Winchester? It has an excellent track record in getting such students through to higher education.

Vince Cable: We definitely need to learn from that experience. Most of the things that we have discussed today are essentially about money, but getting into higher education is about not only money, but encouragement, support and mentoring. The scheme that my hon. Friend has mentioned is certainly one from which we can learn.

Dr William McCrea (South Antrim) (DUP): Is the Secretary of State telling the House that he did not understand that the United Kingdom was in dire financial straits when he signed the pledge five months ago?

Vince Cable: Of course we realised that the financial position of the country was serious. We must now make very difficult choices on the back of that, which I am sure is understood as well in Northern Ireland as it is everywhere else in the UK. I am sure that the hon. Gentleman's party, which shares in government in Northern Ireland, accepts that extremely difficult decisions on higher education need to be made there as elsewhere.

John Hemming (Birmingham, Yardley) (LD): Like the Secretary of State, I signed the pledge, which, as I remember, calls for a fairer system. I therefore congratulate him on lobbying Lord Browne into producing a report that will lead to a fairer system—the system will be more progressive and part-time tuition fees will be scrapped. However, that does not mean that the system is fair enough. Will the Secretary of State put me in touch with his private office, so that we can look at the nuances of some of the modelling of the net present values?

Vince Cable: My hon. Friend asks me to share the modelling with hon. Members. I am improvising, but I do not see any problem with that. There is probably an intellectual property issue, but in the public interest, we should of course share the analysis.

Julie Hilling (Bolton West) (Lab): What will be the effect of the proposals on the funding of universities such as Bolton, which has widened participation by attracting poorer and part-time students, especially if they feel that they must charge less than the £7,000 that he suggests they may charge?

Vince Cable: I do not know the full details of the financial position of the university of Bolton, but I would have thought that it could draw two sources of strength from our approach. First, our approach encourages part-time students by making university more financially attractive for them. Secondly, Bolton can choose to

attract students by offering a lower graduate contribution, which it may well succeed in doing.

Tessa Munt (Wells) (LD): What steps are the Government taking to encourage the development of a greater endowment base for university funding, thus eventually reducing universities' reliance on taxpayers and students? If the Government are about to dispose of a large number of properties and fixed assets, should not the proceeds be used for long-term investment rather than as a one-off boost to Government funds?

Vince Cable: I have not referred to endowments, but it is probably fair to mention that there is quite a substantial section on them in the Browne report, which I hope that hon. Members look at. The report says that endowments are a potential additional source of finance beyond graduates and the Government. As my hon. Friend will know, endowments are a major source of funding in the United States, and they need to be made attractive and encouraged in this country. Obviously, I cannot predict what the Chancellor of the Exchequer will do in his next Budget, but such encouragement relates in large part to tax treatment.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): The publication of the Browne report and the Government's response this afternoon marks the point of no return in the marketisation of higher education. May I ask the Secretary of State, who I am told was once a social democrat, whether he is happy with letting the market rip in higher education?

Vince Cable: Markets are not being allowed to rip—if they were, I would not have mentioned a £7,000 level; we would have simply lifted all restrictions, and there would be no question, as Browne suggested in his report, of extensive conditionality. If the hon. Gentleman is worried about that problem, why did he participate in a Labour Government who introduced variability in fees?

Duncan Hames (Chippenham) (LD): Given the Government's determination to link graduate contributions with ability to pay, will my right hon. Friend ensure that those with the greatest ability to pay, who can afford to make payments early and therefore choose to avoid progressive interest rates, will still be required to make the greatest contribution?

Vince Cable: Yes. One of the scandals under the existing system is that affluent people can take advantage of loans at subsidised rates and invest the money. That has happened on a substantial scale, but it will no longer be attractive to people on very high incomes.

I urge Labour Members to have a careful look at the income analysis in the report. The explanation of how the interest rate relates to work is technical and complicated, but even with a system of early repayment—I am sorry to go into economics jargon—the net present value of high earners' contributions will remain higher than for any other income group.

Chris Bryant (Rhondda) (Lab): The Secretary of State has said many worrying things, but in particular it worried me that he said that it would be better if a higher percentage of students went to universities or colleges in their home towns. If he really expects every young person in the Rhondda to aspire only to go to a university in Glamorgan, he will be letting down future generations. I want to ensure that there is no disincentive for rich or poor kids to go on the right course for them, whether in England, Wales or wherever.

Vince Cable: Of course nobody wishes to stop people travelling to other communities in pursuit of the best course—*[Interruption.]* I was simply making the point that for many universities, especially those that absorb people from less privileged backgrounds, the students live locally in their home environment. That is the common practice in London, Glasgow and other big cities. It is not true for all, and we do not want a one-size-fits-all system. We merely want to have more flexibility and choice, and that is one of the models available.

Stella Creasy (Walthamstow) (Lab/Co-op): Over the past 10 years, we have seen an 83% increase in the number of children from Walthamstow going on to higher education as a result of the previous Government's work on increasing participation. If we do not see a similar trend under the new Government and these proposals, will the Secretary of State commit to coming back to the House to justify the waste of potential that that represents to our country?

Vince Cable: We certainly regard it as a reasonable challenge to ensure that the higher education system takes a larger proportion of people from disadvantaged backgrounds, and I have made that very clear. On most measures, social mobility declined under the previous Government.

Kerry McCarthy (Bristol East) (Lab): Is it the Government's intention to accept the recommendation to restrict access to student finance on the basis of aptitude, and if so will the Secretary of State consider the view that UCAS points are not always the best indicator of future academic potential? What will he do to encourage young people who might show future potential, especially those from disadvantaged backgrounds?

Vince Cable: There are proposals in the Browne report on the reform of what is called the tariff system. We need to look at those carefully, as they are technically complex and may well have the unintended consequences that the hon. Lady has described. However, I am not making a recommendation on that point at the moment.

Gavin Shuker (Luton South) (Lab/Co-op): The minimum tariff entry standards, which have just been mentioned, include a system for rationing provision based on academic ability. What is the assumption of the number of points that will be needed in the Secretary of State's current modelling of student finance?

Vince Cable: Those issues are completely unconnected. As I have just said, the Browne report includes recommendations on the reform of the tariff system, which we need to examine carefully. Admission to university is already based substantially on UCAS points and, in that sense, it is highly meritocratic.

Paul Blomfield (Sheffield Central) (Lab): In the Secretary of State's replies to several questions from my hon. Friends, he has acknowledged that if the cap on fees is lifted, we risk creating a situation in which families will have to sit down with their children and make a decision about the university of their choice on the basis not of their qualifications or ability to learn, but of their ability to incur huge levels of debt. If he acknowledges that, will he reject that free market now—or is that another Liberal Democrat principle that has been thrown out of the window?

Vince Cable: Nobody is suggesting—I have never suggested this—a free market in this area. The same points were made several years ago when we debated the fee-based system introduced by the previous Government, who accepted that on the balance of argument—the case was made initially by the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), who was ahead of his time on this issue, and later by the new shadow Chancellor—the system had to move in that direction. It is a highly constrained market and not a free market environment at all.

Nic Dakin (Scunthorpe) (Lab): As a college principal over the past few years, I was proud to witness the growth in aspiration and widening participation of students from all backgrounds in Scunthorpe. One analysis out today suggests that implementing the Browne proposals as they stand will result in 17,500 fewer students going on to university. Does the Secretary of State want fewer university students and fewer universities?

Vince Cable: As I explained earlier, when the previous Government put in place a substantial increase, numbers initially fell before subsequently recovering. As I said in response to earlier questions, it is not the job of the Government to be prescriptive about numbers. I return to the point that I made at the outset: there is a danger of looking at universities in isolation. There are many further education options for people post-18, including apprenticeships and vocational training. We have to treat all those on their merits and give them equal status. The number of people going to university is not, in itself, a useful measure of anything.

Mr Speaker: Order. I am grateful to the Secretary of State and colleagues for their co-operation.

Points of Order

4.50 pm

Barbara Keeley (Worsley and Eccles South) (Lab): On a point of order, Mr Speaker. The question of Government policy on elected mayors in 12 of our cities, including Birmingham, Coventry, Leeds, Liverpool, Manchester and Sheffield, is an important matter for those cities. I know, Mr Speaker, that you want Government policy announcements to be made first to this House, rather than to the media. Is it in order, therefore, that the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill) has announced to the media the details of how the Government intend to put mayors in place in some of those cities? Should the Government not be making a statement on this matter to the House?

Mr Speaker: I am grateful to the hon. Lady for her point of order. I did not have previous notice of it, although I make no complaint about that—she is entirely within her rights. The safest thing for me to say is that I will look into the matter and revert to her and, if necessary, the House when I have completed my inquiries.

Owen Smith (Pontypridd) (Lab): On a point of order, Mr Speaker. May I draw your attention to a very disappointing letter that Welsh Members received this week from the Secretary of State for Wales refusing our request to hold a Welsh Grand Committee on the constitutional implications for Wales of the Parliamentary Voting System and Constituencies Bill? Will you please make representations to the Secretary of State to ensure that she understands how strongly Welsh Members feel about this critical issue?

Mr Speaker: I am not sure that it is for me to make representations, as the hon. Gentleman invites me to do. However, he has put his concern—indeed, his very clear dissatisfaction—on the record. I trust that it will have been heard, but whether that is the end of the matter remains to be seen. I think that we will leave it there for the time being, but I am grateful to him.

Royal Commission (London)

Motion for leave to bring in a Bill (Standing Order No. 23)

4.52 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to make provision for the establishment of a Royal Commission to consider the future challenges facing London in housing, transport, the environment, population, equality, the City and the wider economy, and such other matters as the Royal Commission considers appropriate; and for connected purposes.

London faces a series of major economic and social challenges to its economy and environment, and through the increase in its population, that will have profound consequences for housing in London, for our transport and energy needs, for businesses, potentially for Londoners' quality of life, and for levels of inequality in London. If those challenges and their consequences are thought through now—not just by one or two analysts, but by a wider cross section of Londoners—these challenges will also offer a series of major opportunities for our great city. However, if the long-term consequences of those challenges are ignored or left ill-considered because more short-term needs dominate, businesses, civil society and ordinary Londoners will lose out.

There are mayoral and Assembly elections coming up in London, and inevitably, during those contests, there will be a focus on the future, but the significance and scale of the challenges that London faces are unlikely to get the level of attention they merit in the heat of an election campaign. There will be those who think that London gets too much attention, and that it draws too much light and focus away from the rest of the UK. I do not share that view. I have always thought that London, as the most important gateway to wider Britain and as our premier city, warrants more attention, not less.

The Bill argues that the Government should establish a royal commission of those interested in London's long-term future to consider over the next 18 months the challenges and policy consequences for those in this Chamber, Whitehall, City Hall and London's local councils—challenges that those who come after our generation of politicians will still have to address.

Royal commissions have, it is true, been out of fashion in recent years, but in the past they have considered difficult and politically tricky questions, helping to build a consensus for action. Carefully chosen, royal commissions have made powerful and important contributions to debates about big issues, creating the context for a series of difficult policy choices. The long-term future of the world's greatest capital city—the engine room of Britain's economy, and the beating heart of our political, social and cultural life—is surely worthy of such a commission.

London's population is expected to rise by almost 1.4 million by 2033 to about 9.2 million, which will bring not only considerable economic opportunities, but a range of challenges in terms of demand for housing, further school places, health facilities and jobs. Housing supply has not kept pace—and it is not keeping pace now—with demographic or economic trends, leading to increased overcrowding and homelessness in London. Indeed, in the next 20 years, the number of households in London is projected to increase by around 585,000, or an average of 30,000 a year between 2011 and 2031. If those trends continue unchallenged and are not properly thought through, how likely is it that a child born today in central London whose parents live within the area bounded by the Circle line will be able to afford to live in the same area 40 years from now?

A growing population will also have profound implications for our transport needs, with some forecasts predicting one third of London traffic travelling on very congested roads by 2025. Aviation demand is forecast to more than double by 2030, with a considerable increase in pressure on the capacity and performance of London's airports. As a country, too, we are committed to an 80% reduction in greenhouse gas emissions from 1990 levels by 2050. That has considerable implications for our future energy usage and how we live our lives. In particular, it raises the challenge of dramatically increasing sustainable energy levels and making buildings across the capital vastly more energy efficient, and doing so rapidly, over a comparatively short period.

It is now a truism that one of the industries of the future lies in new green technologies. However, with investors looking with considerable interest at new green towns being built in China, Japan and the middle east, and with the global renewables market expanding too, a radical increase in the pace of sustainable living in London is not just a sensible environmental option; it is also essential economically to help to create the domestic UK and, crucially, London markets for green manufacturing, and for advanced engineering businesses and jobs to emerge. London therefore needs transforming into the world's leading low-carbon capital. A royal commission could help to paint the policy choices to drive that transformation.

There are, too, long-term challenges to the future of London's economy, specifically with the rise in economic and political power of the east—there are the fast-growing economies of China and India in particular, and there are also countries such as Malaysia, Indonesia and Vietnam. Indeed, rising trade between emerging economies, cross-border mergers, acquisitions by Indian and Chinese companies and moves by developing world businesses to raise capital in each other's markets is already helping to increase the growth of financial centres in the fastest-growing economies. Frustration with London's bankers has become almost a spectator sport in the past two years, but London's economic future—indeed, our country's economic future—depends in no small part on retaining our premier league status for financial services. A re-embrace of the City is essential—a reformed and properly challenged City, of course, but a re-embrace nevertheless.

Finally, London is already a very unequal city. Huge disparities in wealth exist between places within short distances of one another. The economic, environmental and population challenges that London faces will either drive London's wealthiest and poorest further apart, or, properly thought through, help to prevent or address London's poverty and inequality challenges. The hopes and dreams of Londoners and those who, often unknowingly, depend on London's success require the challenges facing London to be addressed with care and long-term consistency. I hope that the proposal in my Bill, in its small way, will help to do just that.

4.59 pm

Mr Mark Field (Cities of London and Westminster) (Con): I support a great deal of the thrust of the argument that the hon. Member for Harrow West (Mr Thomas) has advanced today. He is right to say that London faces significant challenges, but I am not sure that a royal commission, as set out in the Bill, would be the right way to achieve our goals. Our capital city has faced a significant number of challenges over many years. Indeed, we could have had this same debate some 35 years ago in the mid-1970s. No one could deny that there has also been tremendous success, because London has always traditionally been an outward-looking city.

I thank the hon. Gentleman for his kind words about financial services; they were well made. We have all had concerns about elements of the banking industry, but the financial services industry is clearly a world-beating business, without which the whole of the United Kingdom—not just London—would suffer. We need to ensure that the new, transformed landscape for financial services will allow London to maintain its competitive advantage, not least because, as the hon. Gentleman has rightly said, some 25 million Indians and Chinese are being added to the ranks of the global middle class every single year. Culturally, they have a higher propensity to save, and they will be the future customers and clients for financial services in the decades to come.

In relation to the proposal for a royal commission, however, it is fair to say that we have had a mayoralty in London for the past 10 years. The hon. Gentleman might not like the colour of the current Mayor, but there has been a Labour Mayor for four fifths of that time. I want to defend Ken Livingstone, who had an eye towards the future, not least in regard to ensuring that the relationship between London and the key financial centres—not only in Asia but in Brazil and Russia—should be maintained. A lot of that work has been continued by the current Mayor, Boris Johnson. We have a structure of government that works well, although there were teething problems in the early days after the Mayor and the Greater London authority came into play. It works well now, however, and the Mayor—of whatever political colour—has an eye to the future of this great capital city, which is close not only to my heart but to that of the hon. Gentleman.

It is important to raise the profile of London. The hon. Gentleman raised the issue of inequality, but things have been that way since Dick Whittington walked down Highgate hill some 700 years ago. Indeed, since time immemorial London has been seen as a very unequal place, and it has always been polarised between some of the wealthiest and some of the poorest people. The hon. Gentleman made a good point, however, about opportunities for those who have been accustomed to living in central London, and he asked whether their children and grandchildren would be able to continue to do so.

I feel that a royal commission is not the right way forward. I think that we can achieve these goals within the current construct of governance, with the Mayor and active borough leaders playing their part in ensuring that London's pre-eminence is maintained not only in this country but as a global capital.

Question put and agreed to.

Ordered,

That Mr Gareth Thomas, Meg Hillier, John McDonnell, Mike Gapes, Mr Andrew Love, Heidi Alexander, Jim Dowd, Stephen Timms and Malcolm Wicks present the Bill.

Mr Gareth Thomas accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 17 June, and to be printed (Bill 76).

Parliamentary Voting System and Constituencies Bill (Programme) (No. 2)

Motion made, and Question proposed,

That the following provisions shall apply to the Parliamentary Voting System and Constituencies Bill, in addition to those of the Order of 6 September 2010:

1. Proceedings in Committee of the whole House shall be taken on each of the days as shown in the following Table and in the order so shown.

2. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the time shown in the third column of the Table.

Day	*Proceedings*	*Time for conclusion of proceedings*
First day	Clause 1	11.00 pm
Second day	Schedule 1, Clauses 2 and 3, Schedules 2 to 4, Clause 4, Schedule 5, Clauses 5 and 6	11.00 pm.
Third day	Clause 7, Schedule 6, Clauses 8 and 9	11.00 pm.
Fourth day	Clauses 10 to 13, Schedule 7, Clauses 14 to 17	9.00 pm.
Fifth day	New Clauses, New Schedules, remaining proceedings on the Bill	One hour after the moment of interruption.

—*(Jeremy Wright.)*

5.3 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): I look forward to a rigorous debate on the issues in the Bill during its Committee stage. I am grateful to the Political and Constitutional Reform Committee—whose Chairman, the hon. Member for Nottingham North (Mr Allen) is in his place—for the report that it published yesterday and for the considerable amount of work that it put into taking evidence from, among others, the Deputy Prime Minister and myself. Concerns were expressed about the amount of time available to the Committee, but that was clearly not a barrier to its producing a comprehensive report, and I thank all the members of the Committee for their diligence.

The motion before us allows for five days of debate on the Floor of the House. I know that some Members have expressed concern that there will not be enough time to debate the provisions in the Bill, and we have tried to keep rigid programming to a minimum. As I said on Second Reading, however, we want to ensure—we have taken steps to do so in the programme motion—that the House will be able to debate and vote on the key issues raised by the Bill. In our view, the programme motion will allow that.

For this 17-clause Bill, we have proposed five full days of Committee on the Floor of the House and two days for Report, which we think adequately recognises the importance of the issues. We have had discussions through the usual channels with the Opposition, who have not presented any objections to the timetable.

Mr Peter Bone (Wellingborough) (Con): I congratulate my hon. Friend on the progress he is making with this Bill, but will he explain why there is closure at 11 o'clock this evening? This is a constitutional Bill of vital importance, so why should we not be able to talk for as long as we want on the issues today?

Mr Harper: Given the previous Government's record on this matter, I would have thought that my hon. Friend would recognise that we are allowing extra time today to take account of the fact that we have just had a rightly lengthy and well attended statement. We granted extra time so that that statement did not unduly eat into the time available for debating this Bill. As I said, I would have thought that my hon. Friend, given his concern for Parliament, would have welcomed the progress made. We may not have gone as far as he would have wished, but I think that even he would recognise that we have gone some way further than the previous Administration did. I see him nodding his assent.

Mr Mark Field (Cities of London and Westminster) (Con): I accept, and give credit to party managers for ensuring, that we have a certain protection of time up to 11 pm today. However, does the Minister understand our concern that later in our consideration—certainly for the third and fourth day—a significant number of amendments have been tabled, so that we may not have enough time to debate the many issues surrounding exempted constituencies, for example, simply because a guillotine will come into force at 11pm or some other specified time?

Mr Harper: My hon. Friend makes a perfectly sensible point. We have allowed the number of days allotted and included some extra time, but we will clearly keep that under review. He will have noticed that on the fourth day—the same day as the comprehensive spending review—we have allowed an extra two hours for the Committee to sit. We have tried to take that into account, and it is also in the interest of Members to balance the time allotted to different parts of the Bill. As I say, however, we will keep this under review and see how the debate progresses. I have heard what my hon. Friend says, and I will review progress.

Mr Field: The Minister says that he is going to keep this under review, so would he consider changing this programme motion in order to grant extra days of debate or put back the end-point? If we vote for the motion today, will it be set in stone, as reviewing it might not satisfy those of us who are concerned that elements of the Bill will not get the full consideration they need?

Mr Harper: My hon. Friend will know that on Second Reading, when the House voted by a considerable margin to support the principle of the Bill, it also supported the initial programme motion of 6 September, which set the number of days for debate. I listened very carefully to the wide-ranging debate on that day and picked out the issues that appeared to be of concern to Members on both sides of the House. That is what has driven this second programme motion—to try to ensure that the key issues are debated. Today, for example, we are to debate the date of the referendum and the question that it will put, and those issues will be debated. As I said, I listened carefully to the whole of the previous debate, so I believe we have captured the key issues. The House has already accepted that five days in Committee is the right period for consideration of the Bill.

Mr Charles Walker (Broxbourne) (Con): The Minister is being very generous, but bearing in mind that there will not be a general election until 2015, surely there is not that much of a rush to get this measure through the House.

Mr Harper: My hon. Friend is right that the coalition Government are strong and that there will not be an election until 7 May 2015, as set out in the Fixed-term Parliaments Bill. The Deputy Prime Minister has made it clear, however, that we want the referendum to take place next year in order to make progress, and we also need to kick off the boundary review, ensuring that it reports in good time before the next election. That will allow parties across the House to select their candidates. We have secured a balance between moving at a reasonable pace, while also allowing adequate time for proper parliamentary debate. I think that we have done so.

Mr Walker: But why must we have the referendum in May next year?

Mr Harper: We made a commitment in the coalition agreement to have the referendum, and the Government believe that we should arrange to have it at an early opportunity, putting the question to the electors so that they can decide what voting system they want to use in the next election. That is the decision that the Government have made, and that is the view with which I will ask the Committee to agree later today. The House has already agreed with it in principle.

Mr Andrew Turner (Isle of Wight) (Con): Clause 1 covers five pages of the amendment paper, whereas clause 9 requires 12 pages. Debate on clause 9, however, will occupy only about a third of the time occupied by debate on clause 1.

Mr Harper: In my view, it is a question not just of the number of pages, but of the substance of the issues involved. My hon. Friend will note that the Bill also contains a number of schedules, and, given that I have written to him and other Members today, he will know how we propose to deal with the combination amendment. Complicated technical issues occupying many pages may not raise significant issues, while significant issues requiring considerable debate may not occupy many pages. I do not think that the Committee should take a simple page-count approach.

Adam Afriyie (Windsor) (Con): My hon. Friend is making a great presentation. The coalition agreement, to which most of us agreed and of which most of us are very supportive, contained a commitment to a referendum on alternative voting. Will my hon. Friend confirm that the date of the referendum was not included in the agreement, and therefore need not necessarily be part of this process?

Mr Harper: My hon. Friend is right. I am glad that he finds my argument compelling, and I am sure that he will support the programme motion if Members feel the need to put it to a vote and test the opinion of the Committee.

It is true that the coalition agreement committed both coalition parties in the Government to supporting a referendum on the voting system, and the Government subsequently decided that 5 May next year was the right date. The House has already endorsed the principle of the Bill, and later this afternoon we will conduct a line-by-line scrutiny of it. I will be asking Members on both sides of the Committee to endorse the date, although I will expect support only from Members on this side.

Ian Lucas (Wrexham) (Lab): The hon. Gentleman is being very generous and very reasonable. In that spirit of reasonableness, will he have a word with his unreasonable colleague the Secretary of State for Wales, who is refusing to allow a Welsh Grand Committee debate on the implications for Wales of this major constitutional Bill? We have not been given any explanation for her decision. Would it not make sense to allow time for debate in a separate forum, to enable more time to be made available for debate in the Chamber?

Mr Harper: I simply do not recognise the hon. Gentleman's characterisation of my right hon. Friend the rather excellent Secretary of State for Wales. He will note that I have been joined in the Chamber by her Under-Secretary of State, my hon. Friend the. Member for Clwyd West (Mr Jones), who will be supporting me on the Bill. There will be adequate time in the five days that we have provided for debate on how the Bill affects Wales, in terms of both the boundary changes and the referendum, and I feel sure that the hon. Gentleman and his Welsh colleagues—including the hon. Member for Rhondda (Chris Bryant), who is sitting on the Opposition Front Bench—will acquit themselves well in speaking up for Wales during that debate.

The motion specifies the clauses and schedules that are to be debated, and the days on which they are to be debated. Beyond that, it will be for you, Mr Speaker, and for Members themselves, to decide how best to use the time. As I have already said in response to interventions, we have provided extra time on each day to allow for statements. On the fourth day, as we know, there will be a significant statement on the spending review, and having assumed that you will allow questions on it to run for a significant period, Mr Speaker, we have provided the necessary extra time.

I believe that the programme allows the Committee adequate time. I believe that it delivers on the promise that I made on Second Reading to allow the significant issues to be both debated and voted on, and I hope that Members on both sides of the Committee will feel able to support it.

5.14 pm

Chris Bryant (Rhondda) (Lab): I have to say that the Minister is being remarkably blasé about this. I know that he goes blasé when he is trying to be nice, but—*[Interruption.]* Yes, he may be nice—he may have nice moments—but I am afraid that this is not a nice Bill so we will have to deal with him accordingly.

We are, of course, very grateful for the extended hours. However, I should say that since Mr Speaker rightly allowed the recent statement to go on for some considerable time, as it addressed a matter of importance to many people, today our deliberations on the Bill will be briefer than they would have been if there had been no statement, and it is likely that that will be the case in many further days.

Mr Harper: So let's crack on.

Chris Bryant: The hon. Gentleman spoke for longer than I shall, so he can keep shtum for a moment.

It would be better if there were no guillotines in the days provided for debate. As the Minister's colleague, the hon. Member for Broxbourne (Mr Walker), asked: what is the rush? Does this Bill have to be hurried through because its measures are the glue that hold together the coalition—that is what Opposition Members suspect, and indeed I think that it is what the hon. Gentleman suspects as well—or is there some honourable, decent reason for that? We know the answer, of course.

There is clearly a rush on. The Select Committee report has already said that hasty drafting and no consultation are the hallmarks. In recent years it has been extremely unusual for any constitutional reform Bill to go through this House without any pre-legislative scrutiny. I have also scoured history to find a constitutional Bill of this magnitude and significance that went through with so few days of consultation on the Floor of the House. The Minister says it is a short Bill, and that may be the case.

Mr Harper *rose—*

Chris Bryant: The Minister has talked enough, and he wants us to get on with the business in hand. He said it is only a short Bill. However, although it may contain only a few clauses, it is 153 pages long, and it affects major and significant parts of our constitution. Also, he has crafted the motion in a way that allows us remarkably little freedom within each of the days and between the days. For instance, if we finish the business early on the second day, next Monday, we will not be able to proceed straight away with the business for the third day. We will almost certainly need to review that, because the business for the third day is clauses 7, 8 and 9 and schedule 6, which include the topic of precisely how the alternative vote would operate. We must remember that the Bill will never come back to the House if the referendum is carried—although I know that the Minister hopes it will not be carried.

The measures to be discussed on the third day also give us the new rules for the Boundary Commissions, cutting up the rules that have existed for many years. In addition, there is the cutting of the number of parliamentary seats and the decision about how we distribute them. That, too, would never come back to the House for any vote hereafter, unless the House of Lords were to change the provisions. It would be wrong to concertina debate on all that into one single day. It is quite possible that that would mean that there would be perhaps half an hour or 40 minutes to discuss the Northern Irish element of the Bill, including the distribution of seats. That would not serve Northern Ireland well.

As several Members have made clear, there is an additional point to do with the Secretary of State for Wales. I have to say that since becoming Secretary of State she has become far more sour than she was before, when she was a rather more pleasant individual. She has refused point blank to allow a Welsh Grand Committee to discuss the very significant issues that there are in relation to Wales.

Therefore, although the Minister may be blasé, we are not buying any of this.

5.19 pm

Mr Richard Shepherd (Aldridge-Brownhills) (Con): It is a bit rich that the hon. Gentleman should repeat the same arguments as those that he listened to and swept aside when he was in a position to affect the outcome of such a debate.

I am going to reflect on an irony. Along with every other Member, I participated in the last general election. The Deputy Prime Minister—who at the time was leader of the Liberal Democrats—repeatedly made a point about the "same old politics". That became a mantra, and I remember that his poll rating went up when he referred to it. Yet here we are having the same old politics announced from the Front Bench under his direction; this is his Bill. This is a constitutional measure, which we all understand is of considerable importance. It affects the constituencies, their nature and the nature of representation, and the way in which a Member is elected to this place. I can think of nothing as constitutionally profound as this—leaving aside European legislation—in all the time that I have been here. In addition, it is intended not to be unwound if it is won—that is the point behind it—so why are we looking at the same old politics?

This motion is a guillotine: that is what it is, straight and simple. We need not waste time debating whether it is half an hour short here or two hours short there, or whether we lose part of the debate because of the importance of various clauses. This should have been allowed to roll in this House for as long as it took. That was the constitutional rule almost—

Mr William Cash (Stone) (Con): Convention.

Mr Shepherd: Yes, it was the convention, but conventions have been swept away. Again, that was largely done by the Labour Front-Bench teams of the past 13 years, and one does not now hear the word "convention" used in the House. We have no cause, urgency or reason to accept a guillotine such as this. I must tell the Deputy Prime Minister, through my hon. Friend the Member for Forest of Dean (Mr Harper), who is a very respected member of the Conservative party, that I shall not hesitate to vote against the Deputy Prime Minister's guillotine motion.

5.21 pm

Hywel Williams (Arfon) (PC): I wish to refer specifically to the Welsh Grand Committee issue. It has met to discuss matters of much less importance than this in the past. As Welsh Members will know, the Secretary of State has caused great controversy by changing the arrangements at the drop of a hat. She seems happy to do that on matters of less importance, but not on this one.

The Welsh clause will be debated on day four—20 October—along with clauses 10, 12, 13, 14, 15, 16 and 17, and schedule 7. That is also the day of the comprehensive spending review, so the media in Wales will not be dominated the following day by the details of the Welsh debate here—it will of course be dominated by the CSR and other matters—and the Welsh public will remain uninformed, as they are now, about the implications of the Government's proposals. There is a clear benefit in having a Welsh Grand Committee sitting, so that Welsh Members can have a specific day on which to debate issues specific to Wales.

[Hywel Williams]

The Bill has huge implications for Wales—more so than for any other part of the UK. My former constituency, Caernarfon, was the most altered by the boundary changes put in place for the previous election and my constituents are still mystified about what happened. They were completely uninformed about that. *[Interruption.]* I was re-elected, but for the Arfon constituency, which is substantially different. I just point out that there is therefore huge value, in terms of public debates and public information for the people of Wales, in having a Welsh Grand Committee debate, and I cannot see why we cannot have one.

5.23 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): I, too, will vote against this guillotine motion if the House divides, but I plead with hon. and right hon. Members not to divide the House, because we need to get on with discussing this Bill. I commend the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), and the Front-Bench team for giving a reasonable amount of time to this Bill, but it is important that I should make three brief observations.

First, I say to the hon. Member for Rhondda (Chris Bryant) that we are all steeped in hypocrisy in the way in which we protest against guillotines and then find ourselves voting for them when we sit on the Government Benches. He did that and I dare say that I too will do so from time to time. Secondly, the approach being taken is the old way of doing things. We look forward to these arrangements being governed by a business Committee of the whole House, which reflects the interests of the whole House and will ensure that these things are discussed as a broad consensus in the House would want them discussed, rather than how those on the Treasury Bench see fit.

My third observation is that this is an important matter, because as we will discover—both those of us who have been through this process before and new Members—the disadvantage of having a knife fall in the middle of detailed discussions on a Bill of this nature is that we will discover things that may not have occurred to more than one Member in this House. Yet those arguments and discussions will be cut down in their prime.

I just hope that those on the Treasury Bench have considered the consequence of there being too many such occasions: it will whet the appetite of the other place. Time saved in this House may result in time added to scrutiny of the Bill in the other place. I urge those on the Treasury Bench seriously to keep under review the possibility of extending the time for debate on the Bill. I commend the Minister for saying that he will keep the matter under review. If he really wants to save time, the best way of saving time in the other place is for us to scrutinise the Bill properly. If we feel that our discussion has been cut short, we will encourage the other place to take whatever time is necessary.

The Electoral Commission has made it clear that unless the rules of the forthcoming referendum are settled six months before the referendum date, it will not support the referendum date of 5 May 2011. There is no possibility of the Bill completing all its stages by 5 November, so it is putting itself in a position in which it has to make a judgment on whether the clauses relating to the referendum are sufficiently settled before the Bill has completed its parliamentary stages and received Royal Assent.

I remember repeatedly saying in opposition that we should not amend the constitution in haste and should not gerrymander the constitution for the convenience of the governing party, yet I fear that the guillotine motion reflects that that is exactly what is happening. For that reason, if the House divides—I hope that it will not—I will vote against the guillotine motion.

5.27 pm

Mr Peter Bone (Wellingborough) (Con): If the House divides tonight, I shall not support the programme motion. A constitutional issue of this kind should be scrutinised in full; Members of Parliament are elected to the House to do exactly that. Whether we are on the Opposition or the Government Benches, our job is to scrutinise the Government's Bills, and constitutional Bills need the greatest scrutiny.

I have no objection to the Government allowing five days for debate; if they had not put a limit on the time until which we could debate on those days, that would have been fine. The Government say that there is plenty of time to discuss the Bill. If that is so, they do not need to close the business at 9 o'clock or 11 o'clock in the evening. If I am right, and the House wants to carry on a bit beyond that, let it talk on. That is what this House—this mother of democracy—is about. Forget the Labour years when the House was a rubber stamp. Let us turn the House back into what it should be: it should scrutinise the Government.

This is the start of the new democracy. In Committee, Government Members will be able to vote against the party line on matters that are not in the manifesto. That is a great improvement, and it is a great enabling power that the Prime Minister has given us. However, limiting debate so that we never reach clauses, and so cannot discuss and vote on them, is pointless.

We have at the Dispatch Box a Minister of great courage and ability. If he were to say at the end of this debate, "We will remove the time limit for the last four days," his career would blossom, and I urge him to do that.

5.29 pm

Mr William Cash (Stone) (Con): I endorse all the remarks that have been made by my hon. Friends, and I, too, will vote against the programme motion if there is a Division. I simply add to the arguments already ably put forward that this is a constitutional Bill. One has to ask why there are conventions governing such Bills. The answer, as is well established by those who study these matters and who have learned from experience, is that there is a reason for the rule. The reason is that the Bill is important to the future of the electorate of the United Kingdom. It is seminal.

This is not just one of those occasions when one sees people get up and declaim that there is some great constitutional issue at stake and then on examination it turns out not to be anything of the kind. This is genuinely a constitutional Bill, and we deserve the opportunity to debate it properly. I shall vote against the programme motion on principle because it is in contravention of the conventions of this House. As we

see the tsunami of constitutional aberrations inflicted on us in defiance of our manifesto and the wishes of the electorate, I am afraid I will have to continue to vote against the proposals because they are in defiance of the interests of the electorate of the UK.

5.30 pm

Mr Graham Allen (Nottingham North) (Lab): The Minister said some fine words about the Political and Constitutional Reform Committee. We tried hard, and members from both sides of the House worked incredibly hard, to get before the House the report that is in the Vote Office, and which I personally sent to every Member of Parliament on Friday by e-mail so that they could be informed about some of the broader issues before the debate got under way.

We are complaining about the number of days on the Floor of the House, but that number exceeds the number of days that the Select Committee was given to look at this issue in detail. There is a problem with that. People may say, "Well, we can make it good on the Floor of the House." The Floor of the House is a hothouse, and people can be controversial and take sides. If we allow effective pre-legislative scrutiny by a Select Committee made up of members of all shades of opinion, we end up with a view, and some research done on behalf of all Members of the House that, I hope, carries some weight. If the Government take away that weight and that scrutiny, if they deny Members whom the House asked to undertake that job the time to do it effectively, they delegitimise the Bill.

Other people have said that if we cannot have a proper debate in the House of Commons, the debate goes to the other place. As a House of Commons person and a parliamentarian, I do not want to see that. It is essential that the House be allowed to debate whatever issue to the fullest extent. When the issue is one that strikes at the very heart of our democracy, that raises issues of national concern, whether it is the number of Members of Parliament, the boundaries, the question on the referendum paper or our electoral system, surely it is even more necessary that this House should have the proper processes to do its job properly.

We are discussing a programme motion before we get stuck into the Committee stage on the Floor of the House. Just as the hon. Member for Harwich and North Essex (Mr Jenkin) said, perhaps we need to look again very soon at the idea of the business Committee. We also need to look again at timetabling sensible scrutiny at the beginning of the legislative process, not halfway through it, as we are about to go into battle on particular clauses and fight each other and have debates and votes. I would ask the Minister to learn some lessons on this Bill, which are applicable to future democratic Bills in the pipeline. If he does not, he places us all in the difficulty that we are sending to the other place Bills that may be faulty, are not legitimate and have not had the proper debate that they deserve. Then, we should not complain if we reap the whirlwind of that decision. It lies in the hands of this House and this Chamber.

5.34 pm

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): I too want to speak about legitimacy and adequacy of consideration in my capacity as Chair of the Scottish Affairs Committee. We decided that we did not wish to look at the entirety of the Bill; that it was more appropriately dealt with by another Committee. However, it was appropriate for us to discuss, following a seminar with the Electoral Commission, the impact of holding the AV referendum on the same day as the Scottish elections. It was appropriate that we should seek views from political Scotland on its observations, and we did so. I am not convinced that the House, having made that effort to consult Scotland, has left sufficient time under the proposals for those views, which I understand were circulated to Members by e-mail only yesterday, to be taken into account by the Government.

A strong view has been expressed by civic Scotland that is hostile to the proposals in the main. The Government may well decide to ignore it, which is entirely their right and responsibility, but I do not believe that they have considered it at all, which undermines the credibility of the debate in the House. Should the measures go through without due consideration it would be only right, in those circumstances, that another place should intervene to send some of them back.

Question put—

The House divided: Ayes 323, Noes 256.

Division No. 65] **[5.36 pm**

AYES

Adams, Nigel
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham

Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Stephen Crabb and James Duddridge

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bone, Mr Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David

Campbell, Mr Alan
Campbell, Mr Ronnie
Cash, Mr William
Caton, Martin
Chapman, Mrs Jenny
Chope, Mr Christopher
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Philip
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
James, Mrs Siân C.
Jamieson, Cathy
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lewis, Dr Julian
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Morden, Jessica
Morrice, Graeme
Morris, Grahame M.
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Tapsell, Sir Peter
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walker, Mr Charles
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Lyn Brown and Angela Smith

Question accordingly agreed to.

Parliamentary Voting System and Constituencies Bill

[Relevant documents: Third Report from the Political and Constitutional Reform Committee, Parliamentary Voting System and Constituencies Bill, HC 437, and the oral evidence taken before the Committee on the Coalition Government's programme of political and constitutional reform on Thursday 15 July, HC 358-i.]

[1ST ALLOCATED DAY]

Considered in Committee

[MR NIGEL EVANS *in the Chair*]

Clause 1

REFERENDUM ON THE ALTERNATIVE VOTE SYSTEM

5.53 pm

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I beg to move amendment 155, page 1, leave out line 6 and insert

'(2) (a) The Electoral Commission shall within two months of Royal Assent to this Act specify

the date on which the referendum is to be held.

(b) The specified date must be

(i) within 18 months of the date of Royal Assent to this Act, and

(ii) a date on which no other election to a parliament or assembly in the United Kingdom is to be held.

(c) The Minister must lay before Parliament the draft of an Order in Council to give effect to the specified date.

(d) The draft of the Order in Council under paragraph (c) above shall not be laid before Parliament until the specified date has been agreed by the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales.'.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment 4, page 1, line 6, leave out

'must be held on 5 May 2011'

and insert

'shall be held on a date specified in an order made by the Minister, provided that such date

(a) shall not coincide with any poll or polls held for any parliamentary assembly or regularly held local government election; and

(b) shall be at least six months after the commencement of the referendum period (as specified in Schedule 1).'.

Amendment 126, page 1, line 6, leave out 'on 5 May 2011' and insert

'within 18 months of Royal Assent on a date that shall not coincide with any poll or polls for any parliamentary assembly or regularly held local government elections, to be specified by order subject to the approval of both Houses and following a consultation undertaken by the Electoral Commission.'.

Amendment 1, page 1, line 6, leave out '5 May 2011' and insert '8 September 2011'.

Amendment 124, page 1, line 6, leave out '5 May' and insert '2 June'.

Amendment 225, page 1, line 6, leave out '5 May 2011' and insert

'the day of the next general election'.

Amendment 5, in schedule 1, page 14, line 7, leave out

'day on which this Act is passed'

and insert 'relevant date'.

Amendment 6, page 14, line 8, at end insert—

'1A (1) For the purposes of paragraph 1(a) above the "relevant date" is a date specified in an order made by the Minister, after consultation to be held after Royal Assent to this Act with the Electoral Commission as to an appropriate period for the fair conduct of the referendum.

(2) If in the opinion of the Electoral Commission the date on which Royal Assent is given to this Act would mean that there would be an insufficient period for the fair conduct of the referendum if it were held on the date otherwise required by section 1, the Minister may by order specify such later date on which the referendum shall be held as the Electoral Commission shall approve.'.

Mr MacNeil: I am glad that I may speak to our amendment on the date of the referendum on the voting system.

The current proposed date makes the referendum a squatter in another's house, perhaps even a parasite. It is quite unbelievable that, of all possible days, one has been chosen that means the concerns of parts of the current UK are completely overlooked and disregarded. It is almost as though the Bill were intended to find opponents, and it has been successful in that end. It has created a coalition of opponents.

The handling of the referendum's timing has been at best insensitive and insulting and at worst high-handed and cack-handed. In Scotland, we have already moved our council elections by a year so that they do not interfere with the parliamentary elections and vice versa. We have shown respect for others and each other. I have heard about the respect agenda, and I am now seeing its substance. I have also heard about the Liberal-Tory big society, and I wonder whether that is as vacuous, but that is another debate.

The fact that the Electoral Commission has sent guidance to Scotland's 32 local authorities informing them that the referendum will be "the senior poll" is bad news for all of us who respect what happens in the Scottish Parliament. The counting of ballots for the Scottish Parliament will come second, which could delay some Scottish parliamentarians' results until the next day, or perhaps even later given Scottish geography or, as I can testify from the experience of the 2007 election, weather. The same could apply in Northern Ireland. Wales has already seen the problem coming and moved its elections, because there are to be two referendums, a council election and an Assembly election in 2011.

For all parties in Scotland, the question is why Scottish issues should be put on the back burner for a referendum for which there appears to be little real public appetite. There has been surprisingly honest input on that question—hostile, some might call it, although we might call it sensible. There has been sensible input from Jim Tolson, who happens to be the Liberal Democrat MSP for Dunfermline West. He has supported us, saying that

he is very much against having a referendum on the same day as the Scottish election. Oh that the Liberal Democrats south of the border could show the same sense.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Is the hon. Gentleman aware that Jim Tolson's submission was one of a number that were made to the Scottish Affairs Committee, which have now been circulated to the House as a whole by e-mail? I hope that all Members will study them in great detail.

Mr MacNeil: I welcome that input from the Chair of the Scottish Affairs Committee. We all look forward to opening that e-mail and spending many happy hours reading it.

Mr Davidson: You can overdo it, you know.

Mr MacNeil: Maybe not happy hours, just hours.

Tom Aitchison, the convenor of the interim electoral management board for Scotland, has expressed sensible concerns about holding the UK's alternative vote referendum on the same day as the Scottish Parliament poll. The proposal is an example of bad practice, and perhaps a slippery slope. In the United States, referendums are often used as wedge issues—some would allege that the Republican strategist Karl Rove uses them for exactly that purpose. We do not want our democracies hijacked by side issues on the day of a main vote that has been expected for years.

Iain Stewart (Milton Keynes South) (Con): If I recall the provisions of the Scotland Act 1998 correctly, the Scottish Parliament has the ability to vary the date of its election. If there is concern about having the polls on the same day, surely it could move the election a few weeks either side.

Mr MacNeil: I hear the hon. Gentleman's accent. I have heard about the respect agenda, but I smell cultural imperialism in its worst form.

The UK's media are pretty poor at dealing with complexities across the UK, and we are concerned that the important issues that will rightly come before the Scottish people will be sidelined by an "X Factor" media dealing with the simpler issue of the referendum. It happens in the US—it is the big ticket election, which affects all viewers, listeners, readers and dare I say media consumers, that counts, regardless of the importance of the issues being debated. However, is daily health and education policy not more important than the type of electoral system that is employed every four to five years? That is not to say that the electoral system is unimportant, but surely it is further down the hierarchy of needs and importance.

6 pm

Mr Mike Weir (Angus) (SNP): Does my hon. Friend agree that there is a disconnect, because serious politicians in Scotland will be dealing with issues of health and education, which are so important in our Parliament? There will be no real debate about the alternative vote because, frankly, no one is interested in it. There will therefore be a double whammy.

Mr MacNeil: My hon. Friend's assertion is correct. The referendum, when it arrives, will probably receive very little attention in Scotland, because those of us involved in politics will not waste any time discussing whether we are for or against. We will have greater priorities that affect Scots day in, day out—and not a voting system for Westminster that comes along every four or five years. *[Interruption.]* I think that I have roused some Members.

Ms Louise Bagshawe (Corby) (Con): Which is it to be: will the referendum arouse no interest whatsoever in Scotland because we have weightier matters to discuss, or will it drown out all other voices and deprive the Scottish people of the ability to consider their local elections?

Mr MacNeil: The hon. Lady misses the point which is the way in which the UK is constructed, the way in which finance goes into the media in the UK, and where the media broadcast from and are centralised. Everybody accepts that that issue will dominate.

Richard Fuller (Bedford) (Con): It is not clear whether the hon. Gentleman's position is that there should be a referendum on another date, or whether he views the issue as so irrelevant that it should be held on no date. Is it no date or a different date?

Mr MacNeil: I have clearly engaged the hon. Gentleman well, because he anticipates my next point. I remind him of what I have said: it is not that the electoral system is unimportant; it is just that it is lower down the hierarchy of needs and importance.

Henry Smith (Crawley) (Con): Is the hon. Gentleman truly saying that the electorate lack the sophistication to understand various different issues at the same time? In other words, is he saying that the electorate cannot walk and chew gum at the same time?

Mr MacNeil: I am saying not that the electorate have any difficulties, but that the media that broadcast into people's homes have a difficulty. If the hon. Gentleman is secure and certain of the sophistication of the electorate, he will doubtless support the inclusion of the single transferable vote, and perhaps other forms of election on the ballot paper. That would give proper cognisance to the sophistication of the electorate.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): Does the hon. Gentleman agree with me and with Tom Aitchison, to whom he has already referred, that this is not simply a matter of the sophistication of the electorate? Mr Aitchison has identified serious practical problems, not least, as he put it in his evidence to the Scottish Affairs Committee, the problems of sourcing enough ballot boxes, the hiring of additional venues and the expense of hiring additional staff.

Mr MacNeil: The hon. Lady makes her point well; I will add no more, other than to thank her for that intervention.

The amendment tabled in my name and those of my hon. Friends seeks to correct the huge error that has been made and to enable a day to be found, with the Electoral Commission taking the lead, so that the referendum

[Mr MacNeil]

can take place on a date on which no other election to a Parliament or Assembly in the United Kingdom is to be held. To that end, it seeks respect and consultation between the UK's parliamentary and Assembly institutions. I have not prescribed a specific date, but have specified a time frame within which a referendum could take place. That would enable everything to occur and the process to be completed before the next UK election, which was alluded to during the programme motion debate.

My thinking in framing the amendment was to avoid being prescriptive and repeating the Deputy Prime Minister's error of finding a date and arguing for it, regardless of what else might be happening on that date. My main motivation has been to respect already established processes and elections by finding another day, consensually and with respect for all by all. I do not, however, rule out supporting other amendments through a mechanism of mutual support.

I move the amendment because, although this issue is important—the Committee would not be discussing it if it was not—it is not as important as the range of policy choices to be made in Scotland and the re-election of an SNP Government on 5 May 2011.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I rise to move amendment 4, which was tabled in my name and those of my colleagues and which is associated with amendments 5 and 6.

The Temporary Chair (Mr Jim Hood): Order. I must advise the hon. Gentleman that he cannot move his amendment. He can speak to it, but he cannot move it.

Mr Jenkin: I am grateful for the correction. My mistake reflects a gross lack of experience in this place, for which I apologise. I will vote on my amendments if I get the opportunity, but I will also support the amendment that has just been moved in the name of the nationalists.

I appreciate that, following the heated discussion about this issue during the summer, we are less likely to win this vote. Early-day motion 613 attracted a large number of signatures, including those of some 40 or 45 Conservative Members, some of whom have been made Parliamentary Private Secretaries, with one being given the deputy chairmanship of the Conservative party. Other promises have no doubt been made and career-ending threats have certainly been delivered. I wonder what would happen to the date of this referendum if there was a free vote, but that is clearly not going to happen.

Dr Julian Lewis (New Forest East) (Con): May I express extreme disappointment that, as one of the people who signed the early-day motion, no offers have been made to me whatsoever?

Mr Jenkin: My hon. Friend should call that freedom. It is surprising that this has turned out to be a matter of such extreme importance to the coalition. The question is not whether the yes or no campaign will do better on this or that date—some people profess to know, but I confess that I do not—but why the Government think it is in the national interest or, dare I say it, in their interest to have the referendum on that particular date, and why it is so important to this Government. The only explanation that we have been given so far relates to money, but, considering the scale of the national deficit, I regard £30 million as more of an excuse than a reason. It is rather like the schoolboy whose excuse that he was late for school because he missed the bus does not exactly explain why he missed the bus.

There might be a perceived advantage for the yes campaign in having an early date before the Government incur too much disapproval from voters in relation to the difficult decisions that have to be made about the deficit. The yes campaign might perceive an advantage from a higher turnout, although the NO2AV campaign disputes that. The yes campaign might perceive an advantage in confusion and ignorance, because there is bound to be more confusion and ignorance about the substance of the issue, which I will address later in my remarks, if the polls are combined.

Graham Stringer (Blackley and Broughton) (Lab): The hon. Gentleman stated that, if there was a free vote, his amendment would almost certainly be agreed to. Does he agree that, if there was a free vote, there would not be a referendum?

Mr Jenkin: That is outside the purview of my amendment.

There might be a perceived advantage to the yes campaign, which the Deputy Prime Minister is pursuing, or to the coalition. There is a risk of a serious collapse in Liberal Democrat support at next year's local Scottish and Welsh elections, but it would be of advantage to the Liberal Democrats to have the enticement of the referendum on the reform of the electoral system to encourage their activists to press their voters out to vote. I might be wrong—I will stand corrected if I am—but we have not had an explanation. Either way, it is wrong in principle that the Executive should seek to use elections to influence the outcome of a referendum on an important constitutional question, or that they should use the referendum to influence the outcome of elections.

Amendment 4, which is in my name and that of my right hon. and hon. Friends, is similar to amendment 155—the Scottish National party proposal. It provides for an order whereby the Government can choose any date that does not coincide with a poll that is regularly held for parliamentary, Assembly or local government elections. In addition, it proposes—this is important—that the referendum is held

"at least six months after the commencement of the referendum period".

As I mentioned, the Electoral Commission made it clear that it will press for a deferment of the referendum if the rules of the referendum are not clear on a six-month time frame from the proposed date. In fact, the referendum period should count, because it restricts what people can spend and what Ministers can say or announce to promote a particular viewpoint, which might distort the result. The six-month period provides the framework of discipline that provides the fairness of the referendum. Unless we have a six-month referendum period, which is not possible if we do not change the date, we are tempting providence that there will be an unfair referendum.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Is the hon. Gentleman any clearer on the Government's intentions if the House of Lords makes a significant amendment on the timing of the referendum?

Mr Jenkin: I have had no indication what would happen in that situation. I assume that the Government would accept such an amendment, because they cannot afford to delay the Bill. I would point to other amendments in the group that refer to the referendum period and are consequential on it.

The real reason for avoiding the combination of polls with referendums is fairness. Whatever the merits of combining referendums with elections throughout the referendum constituency, all voters should at least be treated the same. It is obvious from the date on the table at the moment that voters are being treated differently in different parts of the country.

When the then Prime Minister, Mr Blair, was contemplating holding a referendum on the euro on the same day as Welsh and Scottish elections, Professor Larry LeDuc, one of the world's leading referendum academics, made it clear that he could not recall one similar case of such differential treatment of a referendum electorate. I challenge anyone to find an example of a serious country putting a serious decision to its people in a referendum when there is such different treatment of electors.

Professor LeDuc thought that the UK proposal was probably unique and volunteered this opinion:

"The effects...would not be uniform across the country. It would likely produce considerable distortion with regard to turnout, the nature of the campaign, and a variety of other matters that might be difficult to determine in advance. The referendum, if it occurs, would be a different sort of political event in England than it would be in Scotland, Wales and Northern Ireland. I can't think of a case parallel to that anywhere else."

Sir Alan Beith (Berwick-upon-Tweed) (LD): There is an obvious reason for that. In the United States, where it is common practice to combine referendums with a series of elections, there is a system by which almost all elections are held on the same day in all states. That situation does not exist here. Parts of our country have devolved Assemblies and others do not.

Mr Jenkin: We have come to a strange pass when Liberal Democrats hold the United States up as a model of democracy. Another point is that the United States has not changed its voting system. It has used the one it inherited from this place: the plain, straightforward, vanilla, winner-takes-all system. Perhaps that is why US democracy works so well. In fact, I do not know any academic authority that would hold up the US as a model of running referendums, and I will come back to that in a moment.

6.15 pm

Perhaps the most useful thing I can do for Members at this juncture is simply to run through briefly what the Electoral Commission decided in 2002-03. I obtained the papers from a freedom of information request from the commission. On turnout, the commission argued that

"the effects of a combined poll may distort the result, albeit whilst increasing turnout"

and that

"the turnout of combined polls can have varied results. As such, the benefits do not appear to be so great or definitive as to automatically over-ride any potential problems a combined poll might bring."

On the question of constitutional confusion, the commission argued:

"Holding a referendum implies that there is a constitutional"

or

"important issue being put to the country"

and therefore that it is

"preferable that the issue being debated is subject to as little 'interference' or influence from other ongoing activities, such as a general, regional and/or local elections. For example, shifting attitudes towards political parties, their relative un/popularity of the day, may have a greater impact on the referendum result than feelings or knowledge about the issue at hand".

The commission concluded:

"It is essential that any referendum campaign and result is seen to be elevated above party politics. This is difficult to achieve in a combined poll".

By any stretch of the imagination, the referendum will decide a constitutional issue, and one which divides all parties—there are people even in the Conservative party who are mad enough to consider the alternative vote. [Hon. Members: "Name them!"] Allow me to correct myself: some Conservatives are mad enough to consider supporting the alternative vote because they want something else. The idea that an AV referendum should be decided amid the furore of the party political battle—in Scotland, for example, public spending cuts will have to be hotly debated—seems extremely unsatisfactory to me, as the 2002-03 proposal did to the Electoral Commission.

Mr Weir: Does the hon. Gentleman accept that politicians might discuss public spending cuts rather than the referendum? There will be a disconnect, because the BBC, for example, might broadcast news only on the referendum, but the battle on the ground will be completely different. That will also skew the result.

Mr Jenkin: If I may, I will come to the question of broadcasting balance when I have dealt with campaign confusion.

The commission stated:

"The issue surrounding different political parties campaigning together (referendum) and against each other (elections) may also cause confusion, and consequent disinterest (even hostility), among voters."

On reflection, perhaps the yes campaign wants hostility. Let us face it: that campaign wants a plague on all our houses, and to change the system at a stroke to reflect the hostility that people feel towards this place. I am sure that the yes campaign will seek to press that button.

Andrew Griffiths (Burton) (Con): My hon. Friend mentioned the Electoral Commission. Given the commission's role in overseeing the AV referendum, is he concerned about the fact that the chair of the commission, Jenny Watson, used to work for Charter 88, which is a pro-European lobby group?

Mr Jenkin: When my hon. Friend says "pro-European," I think he means pro-electoral reform. I have no such concerns; I have the highest respect for Jenny Watson. I think that, because of her previous position, she will want to be seen to be as impartial as possible. It is a natural concern, but people would be wrong to draw that conclusion from her conduct in office.

Thomas Docherty (Dunfermline and West Fife) (Lab): I draw the hon. Gentleman's attention to the submission to the Scottish Affairs Committee from Fairer Votes, the pro-PR campaign in Scotland, which has also argued for holding the referendum on a different day. Even those in favour of AV do not support the proposed date.

Mr Jenkin: The date of 5 May 2011 is losing friends very quickly.

The Electoral Commission argues that the environment in which voters live may influence voting patterns. Voters in Scotland, Northern Ireland and Wales would be

"subject to more intensive and varied campaigning than the electorate in England (in a nationwide referendum)...Certain parts of the electorate may feel that they are less well informed about the referendum issue than in other parts of the country. Conversely, they may feel that they are not as well informed about the national and/or local elections."

Those are all reasons why confusion could be generated in a referendum.

Perhaps the most important consideration is broadcasting transparency. The Electoral Commission also recognised that

"the requirement to present balanced reporting of elections and a referendum is an especially difficult issue to manage when holding combined polls. Distinguishing between election and referendum campaign activities will be extremely difficult, if not impossible in some instances...These issues may have a negative effect on voter awareness; it will also make the monitoring of broadcasting (and campaign expenses) more difficult."

The then BBC chief political adviser said in February 2002 that she had met Helen Liddell, the then Secretary of State for Scotland, and Jack McConnell, the then First Minister, and that she had

"made my views very clear to the politicians and the BBC...it was a bad move...condescending to Scotland, Wales and Northern Ireland...it would put broadcasters in an impossible position".

It is not difficult to see why. How many parties in the Scottish elections will broadly support changing the voting system? It may be two, three, four or even none. But how many will be on the other side of the argument? How can a programme that has a panel of guests to talk about the election and the referendum possibly be balanced? How can the BBC achieve balance and transparency on the referendum issue at the same time as it does so on the Scottish elections?

Richard Fuller (Bedford) (Con): I am listening to my hon. Friend's speech with great interest. He questions the ability of the media to construct a panel in such circumstances. We often say that we want local issues, rather than national issues, to dominate local elections, but the national perspective can be focused very much on a single issue, as in this case, and it is surely not beyond the wit of broadcasters to sort the matter out—including those in the BBC, who are paid considerable sums to do so.

Mr Jenkin: I am merely quoting the former chief political adviser to the BBC who said that it would put broadcasters in an impossible position. My hon. Friend's argument is with her, not me.

Broadcasters are especially important in referendums and elections. Viewers may not be generally aware of the obligation for broadcasters—unlike newspapers—to provide balanced coverage, but they accord respect to broadcast programmes reflecting that obligation. Using the BBC as a proxy for the centralism of British broadcasting, it is worth reflecting that only 3% of the output across seven BBC networks broadcast to the whole of Britain comes from Scotland, Wales and Northern Ireland, where 17% of the audience live. Those figures may be out of date but that does not invalidate the substance of the point.

Viewers in Scotland will see the AV referendum on the UK news with little or no news of the Scottish election. Coverage of the Scottish elections will therefore be more in the hands of the press, who are not bound by the requirements of balance. This tension in the structure of broadcasting proved politically controversial in April 1995 when the BBC in London scheduled an extended edition of "Panorama" with an interview with the then Prime Minister John Major. Unfortunately, that was only three days before the Scottish elections. After a court action, Lord Abernethy, later backed by Lord Hope, Lord Murray and Lord McCluskey, granted an injunction banning transmission in Scotland so as to ensure fair coverage of the elections there. How would it be possible for any programme about the referendum transmitted in London to be banned in the same way if it were thought that it might distort the coverage of the elections in Scotland?

It goes without saying that the AV referendum will be heavily covered by the broadcasters in London, where there will be no elections at the time—not even local ones. The Ladbroke Grove set will therefore be obsessed with the referendum and not very interested in anything else. I cannot see how a business of the size and complexity of the BBC can balance all these issues so as to provide fair coverage.

The Electoral Commission also mentioned respect for devolved institutions. I was an opponent of devolution, but we now have a Scottish Parliament that reflects the sovereign will of the sovereign Scottish people. I am afraid that the suggestion from my hon. Friend the Member for Milton Keynes South (Iain Stewart)—an English Member, albeit with an impeccable Scottish lineage and a lovely Scottish accent—that we could tell the Scottish Parliament to move its elections, because we are more important, is not a very Unionist sentiment. It is bound to cause exactly the kind of resentment and mistrust between the Westminster Parliament and the Scottish Parliament that surely we want to avoid—so the Scottish nationalists would probably love it.

The Electoral Commission concluded its now famous press release from July 2002 by stating:

"Referendums on fundamental issues of national importance should be considered in isolation".

As a coda to that account, I shall turn briefly to the arguments advanced by the commission today. It says that it has based its decision to reverse its position on the date on the available research, including from countries where combining referendums with other polls is commonplace. In the US, for example, the big concern about combined elections is that people have so many ballot papers to deal with at a time that they vote in the elections but not in the referendums. That system is therefore not necessarily a guarantee of turnout and the US is not a great model for the good conduct of referendums.

The commission cites the US, Australia, Ireland and several European countries, including Switzerland and Finland. However, the commission has ignored the fact

that Australia has compulsory voting, so turnout is hardly an issue. We can therefore dismiss that argument. Finland is an interesting example. I was forwarded an e-mail from Dr Maija Setälä who is a research fellow in the political science department of the university of Turku. She says:

"The UK electoral commission is absolutely wrong; we have had two national referendums: one in 1931 on prohibition law and another one in 1994 on the EU accession. Both were initiated by the parliamentary majority. Both of these referendums were advisory. So, Finland is about as active in using referendums as the UK."

In fact, we have more experience of using referendums than Finland. For the Electoral Commission even to mention Finland as an example that we should follow, when it has had so little experience of referendums, underlines the lack of quality in its research.

The Electoral Commission paper, which went along with what the Government wanted, reflects a distinct lack of consultation outside the commission until the date was already decided on. The people in the BBC whom I personally addressed on this question said, "Well, we don't really want to pick a fight with the Government, because we have our own battles to fight with them." To expect the BBC to weigh in against the Government's date was perhaps a little optimistic of me, but I had to try. The quality of the commission's consultation and research has been lacking, which probably reflects the fact that most of its people have changed since 1992. However, the fundamental point about the paper is that it does not address substantively any of the arguments advanced in 2002 in favour of separate polls.

6.30 pm

Justin Tomlinson (North Swindon) (Con): Throughout your speech, you have quoted many supportive references, and made a very strong argument, but you have not mentioned what the electorate would want—

The Temporary Chair (Mr Jim Hood): Order. I remind the hon. Gentleman that I have not been making a speech.

Justin Tomlinson: Would the electorate really want to come out and vote twice on an issue, when they could get it over with in one day?

Mr Jenkin: If we were really keen on reflecting what the electorate of this country want, we would not give them a referendum at all, because I do not think they want one. [Hon. Members: "Europe!"] In the interests of coalition unity, let us not go there—I think that is the expression.

Nick Boles (Grantham and Stamford) (Con): Has my hon. Friend not just revealed the truth of his position, which is that he has constructed a very elegant, beautifully researched and fascinating argument for a position that I do not think he really holds? His real position is that he does not want a referendum at all, because he does not want AV and thinks that we might lose the referendum. I agree with him on AV—I do not want it either—but I think he lacks confidence in the first-past-the-post system and our party's ability, and that of many supporters on the Labour Benches, such as the right hon. Member for Derby South (Margaret Beckett), who made a fantastic speech in support of first past the post, to win the argument. He has therefore constructed this elaborate mechanism to make an argument that he does not really buy.

Mr Jenkin: I am rather touched—I have never been accused of lacking confidence before. I think that the NO2AV campaign will win whatever the date, and I have every confidence that AV will be trashed at the polls. However, I do not think that my hon. Friend has been listening to my point. The question is not whether the date should be moved for the convenience of the yes or no campaigns; it is an issue of principle. If we believe in direct democracy, as I do, we should want the issues addressed in a referendum to be separated and—as the Electoral Commission used to put it—elevated above the party political battle, so that the British people have a fair and uncluttered opportunity to understand those issues. I hope, therefore, that the Committee will support either the amendment in the name of the nationalists or, failing that, the amendment that I will move later.

Sadiq Khan (Tooting) (Lab): I pay tribute to the serious contributions made in the first few speeches. Even if things do not turn out how those hon. Members would like this evening, I am sure that colleagues in the other place will read their speeches with great interest when they come to decide on the future of this Bill.

I relish my new role and the prospect of working with the coalition Government and, in particular, with the Deputy Prime Minister and the Parliamentary Secretary, both of whom are clearly committed to an agenda of reforming the Government's political programme and strengthening our democracy. However, I am disappointed that the Deputy Prime Minister is not here. I appreciate that he has other important things to do, but it is ironic—this draws on a point made by the hon. Member for Grantham and Stamford (Nick Boles)—that the biggest proponent and advocate of the alternative vote is not here to talk about it.

The hon. Member for Harwich and North Essex (Mr Jenkin) is right that the burden should be on those of us who want AV to prove the case to the British people, first, that they should be motivated sufficiently to turn out on a separate date and vote on AV and, secondly, that they should vote yes in the referendum. I am disappointed, therefore, that the Deputy Prime Minister is not here. He is the great reformer, and his not being here sends, I am afraid, all the wrong messages to those of us who want to join him in changing how we vote in the House of Commons.

Dr Julian Lewis: Those of us who do not want AV under any circumstances are actually rather heartened by the fact that, apart from Liberal Democrat Front-Bench Members, who perhaps have to be here, there are only two Liberal Democrat Members—albeit very distinguished ones—favouring this stage of the debate with their presence.

Sadiq Khan: The hon. Gentleman knows all about conspiracy theories, and there will be people around the country with their own conspiracy theories about why so few Liberal Democrat Members are here.

The Bill has some positive aspects. In particular, some of us think that the proposals for a referendum on the voting system are good ones, but unfortunately we

[Sadiq Khan]

have concerns, as we will discuss, that other aspects of the Bill will do much to undermine, rather than enhance, British democracy. I am afraid that those aspects appear to be the product of narrow party interests, and given how the Bill has been drafted, there is a danger that those of us who would otherwise have supported it, and who ordinarily would have been allies of those on the coalition Front Bench and the Deputy Prime Minister will be forced to oppose it. The Committee has the opportunity to iron out those flaws so that the legislation can be made to support the high ideals of constitutional reform in the national interest, to which the coalition aspired only five months ago.

The starting point for today's debate is clause 1, which, as was explained by the previous two speakers, stipulates that a referendum on moving to the alternative vote system for parliamentary elections "must" be held on 5 May 2011. As has been said by the chuntering hon. Member for Somerton and Frome (Mr Heath), the Committee will know that only one party—the Labour party—went into the last election with a manifesto commitment to hold a referendum on moving to AV. That commitment was made after an attempt by the then Labour Government to legislate for such a referendum earlier this year through the Constitutional Reform and Governance Act 2010. Unfortunately, however, those provisions were blocked by Conservative peers in the unelected House of Lords—so the conspiracy theory about why the Deputy Prime Minister is not here will continue. Furthermore, I am happy to note—and put the record right—that clauses providing for a referendum had previously been passed by a substantial majority thanks, in part, to the support of Liberal Democrat Members, one or two of whom have bothered to be here today while we discuss clause 1 of this great reforming Deputy Prime Minister's Bill.

It is right to give the people a choice between the first-past-the-post and the alternative vote systems. AV is, like first past the post, a majoritarian system that maintains the single Member constituency link. However, it offers voters the ability to express a greater range of preferences than does first past the post, and that element has, arguably, become more salient in recent years, with the resurgence of multi-party politics in the late 20th century. AV is also more likely to secure the return of Members of Parliament with the preferences of more than 50% of electors. However, the strength of that likelihood varies depending on the form of AV used. It should be noted—I am sure that colleagues are aware of this—that the system proposed in the Bill allowing voters to express as many or as few preferences as they like would not guarantee the return of every Member with the preferences of more than 50% of electors. None the less, the voluntary model of AV on offer here could increase the legitimacy of the electoral process.

Pete Wishart (Perth and North Perthshire) (SNP): Is not even to call this a mouse of a proposal to give a mouse a bad name? It is like Mr and Mrs Mouse got together and had a huge litter of children—and this AV proposal is the runt of that litter.

Sadiq Khan: The hon. Gentleman was, I am sure, in the House when the then MP for Cambridge referred to it as a "jemmy in the door". I am not sure what the current intentions or aspirations of the Liberal Democrats are—survival might be one of them—but it is just a nasty piece of work, because we are not sure what they stand for or what the end goal is. But that is what we have, and sometimes the best can be the enemy of the good. We are where we are.

Others, of course, favour retaining the existing, first-past-the-post system, believing it a more straightforward method of voting that is more likely to avoid hung Parliaments and unstable Governments. I respect those views. Such differences of opinion are as evident in the Labour party as they are anywhere else—I hasten to add that some of my best friends hold that view. Yet although many of my colleagues are divided on the merits of different electoral systems, we are united in our belief that we should have a public debate about whether to move to AV, and that the voters should be given the final choice in a referendum. Although we support such a referendum, we share the concerns that many have voiced about precisely what the best time to hold it is. We believe that there is a serious concern about whether it is wise to combine such a referendum with the elections on 5 May 2011, as clause 1 proposes.

If passed, the Bill will change the way we choose Members of our elected House of Commons, change the size of the House of Commons, change our boundaries and change the way we do politics for at least a generation. Let us compare and contrast the haste with which that is being done—something on which there is a genuine difference of view, and not just between political parties, but within them—with House of Lords reform. I am not being critical of the groundwork being done on House of Lords reforms. All parties and most MPs agree on the need to reform the House of Lords. However, this coalition Government have established a Joint Committee, which is currently meeting and chaired by the Deputy Prime Minister, with a draft Bill to be published before the end of this year. The draft Bill will be subject to pre-legislative scrutiny by a Joint Committee over several months, and a Bill will be formally presented to Parliament, with, I am sure, a lengthy Second Reading debate, followed by a Committee stage and so on. Why is House of Lords reform treated with such care, attention and detail, yet House of Commons reforms is treated with undue haste and contempt?

Mrs Anne McGuire (Stirling) (Lab): Does my right hon. Friend agree that it is strange that a parallel piece of legislation is effectively extending the length of this Parliament to five years, yet we have an unseemly rush towards a referendum that, frankly, could be held at any time over the next three or four years of this Parliament? Does he have any clue as to the psychology of the coalition Government in rushing for a referendum next May?

Sadiq Khan: The reason there has been a push for changing the voting system and for MPs being encouraged to try to secure more than half of the electorate is that trust and confidence had been broken by expenses and all the rest of it. The irony is that this shabby deal that the coalition Government have agreed—a fixed-term Parliament, rushing through a referendum on 5 May 2011, the boundary changes, and all the other things—is breaking the trust and confidence that we have been trying to build over the past few weeks and months, yet

they do so at their peril. The hon. Member for Harwich and North Essex (Mr Jenkin) referred to his theories, but nobody has yet given the reason why 5 May 2011 should be the date of the referendum. If it is the case that the next election should be fought with 600 seats rather than 650, and with different boundaries—I accept that some hon. Members on the Government Benches hold this view—that can still be achieved, but by having a referendum later than 5 May 2011. What is the reason for the rush?

Richard Fuller: Will the right hon. Gentleman admit that it is somewhat hubristic for Labour Members to talk about the timing of referendums, when we are still waiting for the referendum that they promised when they were in office on European reform? I do not know whether he is a good judge of the timing of referendums, as last time he did not put that referendum in place at all.

Sadiq Khan: I am happy to take as many interventions as possible, but the hon. Gentleman has to grow up. Just grow up: we are having a proper debate about clause 1. As the hon. Member for Aldridge-Brownhills (Mr Shepherd) said, this is really the old politics. Let us debate the merits of clause 1.

Mr Stewart Jackson (Peterborough) (Con): I hope that we can introduce some civility into this debate. The shadow Minister really should raise the level of the debate. My hon. Friend the Member for Bedford (Richard Fuller) raised a valid point: it ill behoves the right hon. Gentleman to lecture us on referendums on far-reaching constitutional issues when his party not only reneged on a solemn promise made at the ballot box to have a referendum on the Lisbon treaty, but guillotined the relevant Bill, forcing it through this House.

Sadiq Khan: I am happy to compare the record of Labour Governments on having referendums and making constitutional changes—changes with agreement and proper pre-legislative scrutiny—with that of this coalition Government or any previous Conservative Government.

6.45 pm

Mr James Gray (North Wiltshire) (Con): Does the right hon. Gentleman remember the timing of the important referendum on Scottish independence, which actually occurred before the Bill had passed through this House?

Sadiq Khan: One of the important things that the hon. Gentleman has to understand and accept is that one reason why a change in the voting system has been recommended is so that we can win back the trust and confidence of the British people. It ill behoves him to try to do that by harking back to precedents that I am afraid did not win the trust and confidence of the British people, but led to bigger problems than they solved.

Mrs McGuire: I appreciate that my right hon. Friend was not in the House at that time, so perhaps I could remind him that the constitutional issue that was put before the Scottish and Welsh people arose as a result of a cross-party consensus that that referendum should be held. There was not a unilateral decision on the date; there was an agreement on how we would move things forward, so that we could ascertain the views of the Scottish and Welsh people. That case is therefore a good example of cross-party co-operation on constitutional issues.

The Temporary Chair (Mr Jim Hood): Order. If we are going to have interventions, can I ask that they be a bit shorter than that? Also, I am hearing noises from hon. Members to the side of me, which is inappropriate. I would ask right hon. and hon. Members not to chunter when an hon. Member is making a speech.

Sadiq Khan: My right hon. Friend makes a good point, but there is an even better point, which is that the issue was in our manifesto, which the British people voted on, rather than in an agreement reached after five days of haggling. There is a big difference between the two. The obvious question is: why the rush for 5 May 2011? We look forward to receiving the answer from the Parliamentary Secretary.

Mr Davidson: As someone who has form on supporting referendums, not only in the case of Maastricht, but on the constitution, I am in favour of the referendum that we are discussing now. However, to answer my right hon. Friend's question about the timing, it is because a shabby deal has been done. In return for supporting Tory cuts, the Liberals get a reward. That is what this is about. It is very much the old politics, and that is why so many people will argue that crime should not pay, that the Liberals should be punished and that everybody should vote against AV in a referendum.

Sadiq Khan: What are the reasons for the coalition Government combining the referendum with the other elections taking place next May? One reason, as described by the hon. Member for North Swindon (Justin Tomlinson) in an intervention on the excellent speech by the hon. Member for Harwich and North Essex, is that voters would be too fatigued to go to the polls twice in a year. That reason is a pretty feeble justification for choosing May 2011. If the coalition Government and the Deputy Prime Minister believe, as I do, that electoral reform is a fundamental constitutional issue and that the public genuinely want the opportunity to vote for change, we should all have the confidence to believe that voters would be willing to cast a vote in more than one ballot in a year.

Mrs Eleanor Laing (Epping Forest) (Con): Does the right hon. Gentleman agree that the House ought to pay attention to the Gould report? That report was compiled at the behest of the previous Government, after the mess of the 2007 elections in Scotland, when there were various elections on the same day. Gould concluded that one

"problem with combining these elections has to do with the confusion it creates among the electorate."

adding that

"it is clear that some voters were confused by the combined elections".

The Deputy Prime Minister says that that is patronising, but surely no one could suggest that only the voters of Scotland will be confused. If voters are confused, voters are confused.

Sadiq Khan: The hon. Lady makes a good point. I shall come to Ron Gould and his report in a moment, but she is right to say that he was not being patronising, but recognising a real issue.

Mr Mark Williams (Ceredigion) (LD): Just to exemplify the point, will the right hon. Gentleman consider Wales and the spectre of three elections being held there? We waited a long time for our referendum date from the previous Government, but it did not come. Now, under this Government, we are finally getting it. There is a prospect of three elections in Wales—the National Assembly referendum, the Assembly elections, and the AV referendum. What effect does he believe that will have on turnout, and does it not necessitate that at least one of those elections be held on the same day?

Sadiq Khan: The best that I can do for the hon. Gentleman is to quote from the evidence that the excellent Select Committee on Political and Constitutional Reform received, which said:

"There should be no distraction from the national assembly election. That is why we have agreed with other parties in the Assembly that our own referendum should not be held on the same day as the Assembly elections."

The important point is that for very good reasons the Assembly has decided not to have its referendum on the same day as the election, because it does not want to blur the issues. It would be counter-productive for there to be three, or two, elections in the early part of 2011; it would be confusing and blur the issues.

Hywel Williams (Arfon) (PC): I rise to agree and to make exactly the same point. I disagree with the hon. Member for Ceredigion (Mr Williams): if the fatigue argument carries any weight, the Welsh electorate will already be fatigued, as we have our own referendum on 3 March, which is a very strong argument for having the other referendum on some other date.

Sadiq Khan: Another explanation for combining the referendum with the elections on 5 May is that it would save costs, and that justification is persuasive. However, there is a problem with that argument as well. The great reformer, the Deputy Prime Minister, would sound a little more convincing on that issue if he had demonstrated some consistency in the past. Last year, when there was a clamour from electoral reformists for a referendum on AV to be held on the same day as the general election, he was passionately opposed to it. The same money that the coalition Government are keen to save next May could have been saved this May, had the referendum been held on the same day as the general election, which would have meant a potential turnout of not 84% but 100%.

Mrs Laing: I thank the right hon. Gentleman for giving way again. Does he agree that if the cost to the taxpayer—the public purse—at this very difficult economic time were really uppermost in the mind of the Deputy Prime Minister, we would not be having a referendum at all?

Sadiq Khan: The hon. Lady makes a good point with which many colleagues agree, but I shall move on.

In my view, the Deputy Prime Minister had good reasons for opposing the combination. He worried that holding a referendum on electoral reform on the same day as the general election would cloud the debate and affect the outcome, making a yes vote less likely; he was right. He instead supported our proposals for a referendum after the election, but within approximately 18 months of the legislation gaining Royal Assent, which meant that the most likely date would have been October 2011. That course of action would not have delivered the savings that that combination with a general election would have provided, but, given the importance of the decision in question, it was a fairer and more constitutional way of proceeding. That was his view back then, but we know that it has changed.

Mr Tom Harris (Glasgow South) (Lab): For clarification, will my right hon. Friend make something absolutely clear? When the Deputy Prime Minister opposed having a referendum on the alternative vote on the same day as the general election, was that before or after he was given a ministerial salary, a ministerial car, a ministerial private office and the accompanying prestige?

Sadiq Khan: My hon. Friend has made his point.

I hope that all Members, whether for or against a change from the first-past-the-post system to the alternative vote, agree that if we hold a referendum on the voting system, it is imperative that that referendum is transparent, clear and understandable to the British people and that the result is invulnerable to any charges of illegitimacy. I fear that the timetable for the referendum proposed by the Bill will fail on each of those counts. So I urge coalition Front Benchers to listen to the concerns being articulated by people of all political persuasions about the dangers of a clash between the referendum and local and national elections, which, as we must not forget, are due to take place in some places but not in others.

In Northern Ireland, Wales and Scotland, numerous warnings have now been given about the danger of combining the referendum with elections to the various devolved institutions. Those warnings have highlighted that holding simultaneous polls risks confusing voters and muddying political debate. That is not a patronising view from Westminster politicians; it is the view of the devolved Executives. In Scotland especially, there is, as has been said, concern about the unhappy experience of coupled elections in 2007, which gave rise to significant numbers of spoiled ballot papers, and that experience could be repeated. The hon. Member for Epping Forest (Mrs Laing) referred to Ron Gould, who recommended against combining polls.

Mr David Winnick (Walsall North) (Lab): If there were overwhelming public pressure for a change in the voting system, one could understand the reason for holding the referendum as soon as possible. How many letters has my right hon. Friend received from constituents recommending any change?

Sadiq Khan: To be fair to the coalition Government, if one believes in reforming the constitution, the only criterion cannot be how full one's mailbag or computer inbox is. I accept that sometimes one has to lead the debate, even if the public are not quite there. My

problem is this: accepting my hon. Friend's premise for a second, if the public are not clamouring for a change in the voting system, one would assume that the coalition Government, and the partner in that coalition that wants the change the most, would want more time to build up momentum and create a snowball effect, to provide more education on the process and to achieve a yes vote. The fact that they have not done so raises more questions than answers.

Thomas Docherty: The point was made before about spoiled ballot papers. Is my right hon. Friend aware that there were 147,000 spoiled ballot papers in the Scottish elections in 2007?

Sadiq Khan: What compounds that excellent intervention is that just today, the Liberal Democrat MSP for Dunfermline West, who was part of the committee that looked into the 2007 election, said:

"I am determined that this confusion be avoided at all costs for next year's election to the Scottish Parliament. I am therefore very much against the inclusion of a referendum on the same day as the Scottish elections!"

I have not found anyone so far—even the Deputy Prime Minister, who is not here today—who is in favour of coupling the two events. This is not about whether the British public can cope with one or two issues at a time; it is about ensuring that the issues are properly aired.

The problems do not stop there. If the referendum is combined with the other poll, there will be complications regarding the funding limits for political parties and for the referendum campaigns. To compound matters, an additional concern has been raised about the problem of differential turnout, given that some parts of the country—notably London—have no separate elections in May 2011. That makes live the issue of thresholds, which otherwise would not be an issue in the referendum.

Some argue that one of the virtues of combining the referendum with other polls is the likelihood of an increased turnout, but the logic of that argument works both ways, in that there could be lower turnouts where no elections are taking place on the same day. Do we really want to have debates on the legitimacy of the referendum after the event? I hope that hon. Members who have tabled amendments will ensure that there is a proper debate on that theme and that other hon. Members have listened to the issues that have been raised. Depending on what happens later this evening, I might decide not to press our amendment to a vote.

Concern has been expressed that 3.5 million eligible voters are not on the register. Rushing to have the referendum in less than seven months' time reduces the chance of those people getting on the register and taking part. That is yet another reason why we say, "Decouple the referendum from 5 May, allow further time for the work to be carried out, and allow—for those of us who are progressives and want to see a change in the voting system—a real coalition, rather than the shabby deal done by this coalition Government behind closed doors over those five or six days".

Mr Edward Leigh (Gainsborough) (Con): It is a pleasure to follow the right hon. Member for Tooting (Sadiq Khan). I pretty well agreed with everything that he said in his excellent speech, but I wonder whether he might have been giving a slightly different speech today if the Labour party had won 10 more seats and there had been a Lib-Lab Government. However, we will never know—the past is another country. We are where we are, and we have to look at the situation that we have. I am tempted just to adopt the arguments given by my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), who made a first-rate speech, but there is a danger that we might complicate matters.

There are clearly a lot of political calculations going on, and I do not really know why this is such a macho issue for the Government, or why everything is being rolled out to win the vote tonight, as the Government undoubtedly will. I am not sure why the Deputy Prime Minister is so keen for the referendum to be on the same day as other elections. I suspect that there was a political calculation in the beginning. We can dismiss the argument that the reason why the Deputy Prime Minister wants to have the referendum on the same day is that he wants to save money. We can accept that that is a canard, as it was not his primary motivation. After all, the cost of a general election is some £80 million, and there is no doubt that if an AV system were introduced, that cost would rise steeply, as enormous costs would be tied up in the whole process of redistribution and cutting the number of seats. It simply does not wash that the primary motivation for having the referendum on the same day is the cost. There must have been some political reason, and I presume that that reason was that the Deputy Prime Minister thought that he would have more chance of winning the AV referendum if it were held on the same day.

7 pm

For me, however, that is not the primary issue. Some people might think that I support my hon. Friends, the nationalist amendment or what was said by the right hon. Member for Tooting because I have calculated that if the referendum were held on a different day, I would be more likely to win—or, in other words, that people like me would be more likely to defeat AV—but that is not the issue. The issue concerns what is right. The issue is not whether people support or oppose AV, but that on a matter of major constitutional change, the argument must be out in the open.

For better or worse, this country has had a first-past-the-post system for many generations, and it has ensured that we are the only country in Europe that has never been a police state or had a police state imposed on us. It has ensured that this has generally been a freedom-loving and democratic nation, yet we are changing all that. The issue is so important that, irrespective of whether people are for or against AV or proportional representation, the arguments must be properly aired.

Dr Julian Lewis: My hon. Friend is absolutely right. I wonder whether he noticed the curious item in yesterday's *The Times*, which suggested that certain Conservative Members were no longer going to support amendments such as his, because calculations had been done by the chief executive of the NO2AV campaign that having the referendum on the same day might actually assist the no vote. I assure whoever made those calculations that I would be just as determined to vote against having the referendum on the same day if I believed that it would advantage the no campaign as I would if I thought that it would advantage the yes campaign.

Mr Leigh: Exactly.

There was a meeting yesterday—perhaps I am giving away what was discussed in a private meeting, but so what, as it adds interest to the debate—and someone from the no campaign came along and said, "Well, we have done all our calculations and we think that we are now perhaps more likely to win if the referendum is on the same day because the C2 vote is likely to be in our favour"—but who cares? Stuff these sorts of arguments. When we pressed this man, he was not able to adduce any firm evidence one way or the other. The fact is that nobody knows whether their side of the argument is more likely to win on 5 May or 2 June or whatever.

Surely what is important is that the arguments around AV are complex. I know that you would immediately rule me out of order, Mr Hood, if I started rehearsing all the arguments in favour of or against AV. I am sure that the Committee accepts, however, that at first sight the issue looks quite easy. It might be said, "Well, we have this first-past-the-post system, which is clearly not proportional and seems unfair to one party, the Liberal party, which gets many more votes nationally than can be justified by the number of seats it gets in this House, so we should have a fairer system." At first sight, then, someone might think, "Well, I am a progressive and fair person"—actually, the Committee might not agree that I am a progressive and fair person, but I can be if I try, as I do occasionally, to behave myself—"and should accept the change." Looking at the issue in more detail, however, it gets more difficult.

A document from the Library details how an individual election might pan out, which might lead us all to start scratching our heads. Do we all know that the Government's favoured option is for "optional preferential voting"? How many members of the public have got their heads around "optional preferential voting"? Indeed, how many Members in their places in Committee now—apart from the lone Liberal or couple of Liberals, whom we know to be anoraks—understand it? We all know, of course, that the optional preferential voting system is an AV system that does not require the voter to give preferences for every candidate, but there are other AV systems, and those arguments have to be teased out. Would it be fairer to force people to vote for every candidate? Would it be fairer to have the system used in the London mayoral elections, where one or two candidates are voted for? Or should we vote for the system that the Government are proposing? As we can start to see, the issues are complicated. Should we not therefore have a chance to tease out these issues over three or four weeks, given that we are changing the entire way of voting for the House of Commons?

Dr Julian Lewis: Or hopefully not.

Mr Leigh: Or hopefully not changing it, as my hon. Friend has said.

It does not necessarily help the argument to question what happens in Australia, Finland or the USA. It is what happens here that is important, because we care about this place and we want to create our own system, which we want to be discussed and understood by the public. We also want to make a judgment that will be considered fair.

Thomas Docherty: I have just returned from the British-American parliamentary group visit to the US, with colleagues from all parties. */ Interruption. /* It is an excellent place to visit and regards were sent to the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), who was on last year's trip. It might help the Committee to know that millions and millions of dollars are spent on each individual question put forward. Given that we rightly have restrictions on how much each side can spend, does the hon. Gentleman agree that this is one more reason why it should be a stand-alone vote?

Mr Leigh: That is a very good point and the hon. Gentleman referred earlier to another one about the number of spoiled ballot papers in the Scottish elections. If I were a Scottish MP, I would be angry about what is going on. We in this national Parliament are hijacking their election, when a very large amount of what is now decided for Scotland is decided by the Scottish Parliament. If I were a Scottish person, I would be angry, given that there is this concentration of media interest and writing in London, where no election at all is taking place, and the entire media will be focused on the AV issue. That would detract from the attention that should be paid to Scotland, Northern Ireland and Wales.

Dr William McCrea (South Antrim) (DUP): I am delighted that the hon. Gentleman has remembered that Northern Ireland has two elections set for the month of May—the local government elections and the Assembly elections. One Government supporter said a few moments ago, "Well, one of those can be set aside." That is arrogance. Those elections are already set, and it is important that we can carry on with our democratic process.

Mr Leigh: There has not yet been enough debate today about Northern Ireland—or, indeed, about Wales—but the arguments are all the same. The fact is that 39 million people will vote on the first Thursday of May in the parliamentary elections, the Assembly elections and local elections. I repeat that 39 million people will be involved. Why should those important elections, which are crucial to the regions and nations of our country, be subsumed into this referendum?

It is incumbent on the Government to provide an argument. They should not try to pull the wool over our eyes about money. This is not about money; it is about something else. There are many other and better ways of doing this. The Government should listen to the arguments adduced in Committee, which are overwhelming. The overwhelming argument is that we should debate the issue calmly and sensibly, that the argument should be rolled out and that the people can make the decision. Let right be done; let us have a referendum on a different day.

Thomas Docherty: I am grateful for the opportunity to speak to amendment 1, tabled by me and some 40 other Opposition Members representing all four nations of the United Kingdom. I am conscious that many Members wish to speak and that time is, thanks to the programming, restricted. I will therefore restrict my remarks to two aspects of the amendment: why we tabled it, and why the date of 8 September 2011 was chosen.

Mr Davidson: Is my hon. Friend aware that 8 September is my birthday? On the last such occasion the Government promised me two aircraft carriers, and I look forward to the upholding of that promise.

Thomas Docherty: I greatly appreciate my hon. Friend's contribution. Yet again, he has managed to introduce an issue that is important to people in both our constituencies.

Let me stress that amendment 1 is not a wrecking amendment, although some members of the Government may wish to portray it as such. It is supported by Members on both sides of the argument about the alternative vote. It is not intended to, nor will it, lead to the killing of the AV referendum; it merely seeks to create a level and fair playing field for the referendum, and to demonstrate the respect that the House should have for the devolved Administrations of the United Kingdom.

As Members will know, it is rare for an issue to unite Labour and Scottish National party politicians, and rarer still for them to be joined by Welsh and Northern Irish colleagues. However, that is the feat that the Deputy Prime Minister has managed to achieve, and I am grateful for his ability to bring us all together in that spirit. The amendment seeks to address the genuine anger that is felt in the three devolved Administrations. The fact that a joint letter has been sent by the three First Ministers to the Deputy Prime Minister expressing that anger should not be forgotten.

Mr Stewart Jackson: I am listening carefully to the hon. Gentleman's argument. He clearly concedes that the electoral arrangements and voting systems which may change in future will apply to Scotland, Wales and Northern Ireland. Will he also concede that there is a precedent for the Government's legislation? In 1998 there was a referendum on future constitutional arrangements and the establishment of the Greater London authority and the Mayor, at the same time as the holding of 32 separate London borough elections.

Thomas Docherty: According to my recollection, all 32 London boroughs held elections on the same day. Regrettably, on 5 May next year elections will not be held in the whole United Kingdom. I believe that there will be no elections in some 20% of England.

I am grateful to the hon. Gentleman for reinforcing my point about the level and fair playing field. Given that he has just made my argument for me, I look forward to him joining us in the Lobby.

Susan Elan Jones (Clwyd South) (Lab): For the benefit of the hon. Member for Peterborough (Mr Jackson), could my hon. Friend explain the difference between local government elections in London and elections for the National Assembly of Wales, the Scottish Parliament and the Northern Ireland Assembly? It is obvious that a definition that is fairly clear to most of us has not travelled as far as certain green Benches.

Thomas Docherty: I am grateful to my hon. Friend for making that excellent point. I cannot go into great deal in the short time available to me, but I can point out that—as I am sure my hon. Friend already knows, and as Members in all parts of the Committee have mentioned—there have been very different turnouts. Elections to the Scottish Parliament have typically attracted a turnout of about 50%. I fear that, important as local government issues are to the parts of England involved, the turnout for those elections will be nowhere near that—which, again, reinforces my argument about the level playing field.

Mr Stewart Jackson: I am happy to take lessons from the hon. Member for Clwyd South (Susan Elan Jones). Having been a London borough councillor for eight years, I am sure that we can discuss our knowledge and experience of various elected bodies. However, I must disabuse the hon. Member for Dunfermline and West Fife (Thomas Docherty) of his belief that I was making his point for him. The point that I was making was that the people of London were quite able to make decisions in respect of the election of London borough councillors and long-term constitutional decisions, by way of a referendum, on the same day. That is the point that the hon. Gentleman is avoiding.

Thomas Docherty: As I am sure my nationalist colleagues will remind me, I should be nervous about making the mistake of, perhaps inadvertently, comparing the Scottish Parliament to a parish council. I urge the hon. Gentleman, as part of the respect agenda, to tread carefully when making analogies between borough councils and the Scottish Parliament.

7.15 pm

Mr Wayne David (Caerphilly) (Lab): Does my hon. Friend agree that to suggest that holding elections and a referendum on the same day is confusing constitutes not a condemnation of the electorate, but simply a recognition that we need to have a debate on such an important issue? The very fact of elections to the National Assembly for Wales, or to the Scottish Parliament or the Northern Ireland Assembly, takes us away from the central need to have an in-depth argument about the pros and cons of the AV system.

Thomas Docherty: I am grateful to my hon. Friend for making that point more eloquently than I could have done. I suspect that that is why he is an important member of our Front-Bench team and I am a mere Back Bencher, languishing and fighting my corner for aircraft carriers and others.

Let me now make a small amount of progress. I do not intend to rehearse, or rehash, the arguments presented so ably by my right hon. Friend the Member for Tooting (Sadiq Khan), the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) or, indeed, Members on the other side of the Committee. They have already highlighted more than adequately the problems that occurred in 2007, particularly in Scotland, where 147,000 ballot papers were spoilt. I would, however, like to draw the Committee's attention to some of the representations made by a number of individuals and organisations to the Scottish Affairs Committee—led by my hon. Friend the Member for Glasgow South West (Mr Davidson)—which, unlike the Deputy Prime Minister, actually bothered to ask for input on the date of the referendum from the people of Scotland.

Let us consider first the response of the Scottish Government, an august body to which we should all accord some respect. Scottish Ministers wrote:

"The Scottish Government believes that the lack of consultation, and the substantive decision to hold UK wide contests on the same day as devolved elections, shows a lack of respect for the devolved administrations. We also believe that it undermines the integrity

[Thomas Docherty]

of elections to the Scottish Parliament and risks voter confusion. Elections to the Scottish Parliament are important to the people of Scotland and we believe they have the right to make their electoral choices without the distraction of a parallel UK contest. Holding separate contests on one day would also create operational and practical risks for those charged with administering the elections."

As Members have already pointed out, it is not just the SNP Scottish Government who want the date changed. My current Liberal Democrat MSP—I suspect that he may not still be my MSP after May—wrote on behalf of his party that he was

"very much against the inclusion of a referendum on the same day as the Scottish elections!".

He put an exclamation mark at the end, which I consider particularly important.

Just in case the Deputy Prime Minister believes that the opinions of other politicians should not be given the same weight as his weighty opinion, the Minister may wish to reflect on the comments of the interim chief returning officer for Scotland, Mr Tom Aitchison, who has said:

"Combining the polls will require additional staffing at polling stations and additional ballot boxes. This appears to be a straightforward matter, but there is much scope for confusion and misallocation of ballot papers. Simply sourcing and procuring sufficient ballot boxes is also a matter that is concerning the electoral community."

Mr Aitchison went on to say:

"with three ballot boxes from each polling station (two for the Parliamentary election and one for the referendum) there is likely to be a situation in which each box must be sifted and possibly verified before any of the three counts can commence. This will require an investment in time, space and staffing adding to the cost"—

which, apparently, so concerns those on the Front Bench—

"complexity and duration of the count. Stakeholders, including politicians and voters, need to understand that the process may take longer than they might anticipate and may certainly be more expensive. Many Returning Officers may find it necessary to hire larger venues for the count and indeed to hire them for an extended period to accommodate these additional processes."

So much for the Deputy Prime Minister's argument about cost.

Some Members on the other side of the Committee have suggested that the Scottish parliamentary elections could be shifted by as little as a month, but there are two serious flaws in that suggestion. First, as Members on both sides of the Committee will recall, in 1999 the European elections took place just one month after the Scottish elections. Turnout for the European elections in Scotland was a mere 26%. That, surely, is something that no one would wish to repeat. Secondly, if saving money is genuinely the argument that the Deputy Prime Minister wishes to deploy, this suggestion of shifting the election and all the associated costs fatally undermines his own logic.

Mrs Laing: Is the hon. Gentleman aware that many of us in this House actually have some respect for the Scottish Parliament—I did not always, Mr Hood—and, indeed, for the Welsh Assembly? That Parliament has a fixed date for an election, and the idea that it should move that in order to accommodate an ad hoc, once in a lifetime—once in a century, we hope—referendum is utterly preposterous. Those of us who have respect for the Scottish Parliament and the Scottish people therefore have every sympathy with what the hon. Gentleman is saying.

Thomas Docherty: I am grateful to the hon. Lady for her kind words about the Scottish Parliament and the Welsh Assembly—*[Interruption]*—and the Northern Ireland Assembly as well; I was coming to that. Like many good things, the Parliament can take time to grow on people, but I think she will find that the Scottish Government and Parliament is an institution well worth protecting, as are those of Wales and Northern Ireland.

Hywel Williams: Clearly, the cost argument is blown out of the water in Wales as we are to have a separate referendum. We are going to spend money so that we have a separate referendum on 3 March. That gives the lie to the cost argument.

Thomas Docherty: I am grateful for that point. My hon. Friend the Member for Glasgow South (Mr Harris) is present and he has usefully highlighted the fact that in the last three months the Deputy Prime Minister's own costs have risen from £80 million to £100 million—a sign of inflation going mad within the coalition.

The second reason for suggesting an alternative date is in order to ensure that there is the fairest possible ballot. As I mentioned in response to an earlier intervention, not all parts of the United Kingdom will be holding elections on 5 May 2011. Large swathes of England have no elections scheduled. Recent history shows that in such circumstances turnout in the Scottish, Welsh and Northern Irish elections is significantly higher than in places in England that are holding purely local government or mayoral elections. If the referendum is held on the same day therefore, we will not be starting from a level and equal playing field in respect of participation. I and many others believe that, in effect, those who propose the referendum in this way are hoping to rig the methodology in their favour.

Mr Leigh: I think that one of the Deputy Prime Minister's calculations was that there would be a differential turnout. He calculated that there would be a greater turnout in Scotland, as people are used to AV there, so they would be more likely to vote in favour. That argument might hit him in the back of the neck, however.

Thomas Docherty: The hon. Gentleman makes a valid point. Given the current Liberal Democrat poll ratings, however, I look forward to them receiving a round thumping in May, both in my area and across Scotland. The Deputy Prime Minister is so out of touch with Scotland that he is not aware of just how unpopular he has become in the past five months. The hon. Gentleman's point about the Deputy Prime Minister's logic does stand, however.

There are a number of specific reasons why we have chosen 8 September 2011. First, that would allow us sufficient time to overcome the voter fatigue that I touched upon. It would also provide for several months of campaigning by those of all parties in a non-party political manner. Those colleagues who wish to campaign for a yes vote can come together without party badges and work for that, and those colleagues who wish to

campaign for a no vote can also come together without the baggage of our party affiliations.

We also appreciate that there are other elections scheduled for spring 2012, spring 2013 and spring 2014, and we believe that it is important to be consistent and logical in our approach, which rules out those slots. We have therefore sought to find a date that provides sufficient breathing space between all those elections. We are also mindful of the advantages of good weather in ensuring strong voter turnout, and the clocks have not yet changed in September—although I accept that a private Member's Bill that might deal with that is coming up in December. That issue needs to be balanced against the argument about clashing with school holidays; we have had many discussions about that in the Chamber. As the hon. Member for Harwich and North Essex (Mr Jenkin) mentioned, having the referendum in September of next year would also provide ample opportunity for the six-month period of grace for the Electoral Commission to carry out its due diligence. Finally on the argument for September, as has been mentioned, in 1997 we held two referendums in September in Scotland and Wales, very successfully with excellent turnout and a seamless process. That followed, in particular, a constitutional convention in Scotland, in which I know you played an active role, Mr Hood.

The Deputy Prime Minister claims that the idea of fair votes is what motivates the referendum, but it now appears that, shamefully, the Liberal Democrats in government will act unfairly in order to try to achieve their ends. It is not too late for the Deputy Prime Minister and the Government to do the right thing: to listen to the united voice of Labour, nationalist and Unionist politicians across the United Kingdom and accept the rational and fair date for the referendum.

Mrs Laing: It is a pleasure to follow the hon. Member for Dunfermline and West Fife (Thomas Docherty); he made some excellent points, and I hope the Committee will pay attention to them.

I accept that we must have a referendum. I voted for this Bill on Second Reading, and I will vote for it again on Third Reading and subsequently. A referendum is the price we pay for the coalition, and the coalition is the price we pay for economic stability, which is what the country needs most at the moment. However, it is not for this House to submit to the dictatorship of the coalition agreement and to accept every word therein as being inscribed on tablets of stone. It is for this House to exercise its duty to seek to improve the legislation before it.

I shall speak mainly in support of amendment 4, to which I have put my name, but other amendments in the group are similar in principle, so I also accept the arguments for them. I am not, however, saying I could possibly bring myself to vote with the right hon. Member for Tooting (Sadiq Khan). I congratulate him on his appointment to his new position on the Front Bench, and I look forward to our having many arguments in future. Tonight, we have been very much in agreement, but I know that he will understand that I could not bring myself to vote for his proposals. However, I have listened to his arguments and, as with those of the hon. Member for Dunfermline and West Fife, the Committee ought to take heed of them, because this is all about principle, not party advantage.

There are arguments that if we have a referendum on the same day as other elections turnout will be higher and people will be more likely to vote for AV. There are other arguments that people will be more likely to vote against AV. There are arguments about why AV might be good, too—although there are not many arguments that AV would be good for anyone apart from the Liberal Democrats. There are, however, also arguments about why any particular party might be at an advantage or a disadvantage in respect of AV as a whole, but none of us can predict that. We can look at the statistics and, as my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) so eloquently explained a short while ago, we can look at the party advantage, but this is not about party advantage: it is a simple matter of principle.

A democratic procedure that changes our country's constitution must be fair and be seen to be fair. If the result of a referendum on changing our voting system does not command the respect it should, every subsequent general election, based on whichever system is chosen under that referendum, will be open to question and challenge. There is no doubt that holding more than one election on the same day undermines confidence in the referendum, so the issue is simple: if this referendum is held on any day but 5 May 2011—or any day when another significant election is taking place—it will command more respect than if it is held on that day with other elections.

7.30 pm

I care about democracy. If we are having a referendum, I want it to be fair and to be seen to be fair. It is the duty of this House to protect democracy by ensuring that any referendum is fair. There are 365 days in every year, so plenty of other dates are available for us to hold a referendum that would be far fairer than one held on 5 May 2011. When I intervened on the right hon. Member for Tooting, I referred to the fact it is not valid to argue this matter on a point of economics and saving taxpayers' money. Undoubtedly, it will cost less to hold a referendum on the same day as other elections, but are we going to say in this House that what we want is a cut-price referendum and, thus, cut-price democracy? That is not fair to anyone, but there is another overriding argument. If the Deputy Prime Minister's overriding concern was really cost and where the £100 million cost of this referendum could be spent elsewhere for the good of the British people, there would be no referendum. So we have to examine this as a matter of principle.

My hon. Friend the Member for Harwich and North Essex set out some excellent arguments, which I shall not repeat, given the time available. The hon. Member for Na h-Eileanan an Iar (Mr MacNeil) also made some excellent points, with which I agree. He is right to stand up for what happens in Scotland and for the people of Scotland, Wales and Northern Ireland, and their elected Parliament and Assemblies, as they are being denigrated by the way in which the Government have put together the plans for this referendum.

This is a matter of principle, and the first duty of this House is to make sure that the workings of our democracy are protected. A referendum must be fair and it must command respect. Listening to the arguments here this evening, and to those in the media, among think tanks and on both sides of the AV campaign, makes me increasingly sure that holding this referendum on the

same day as other significant elections will mean that it is seen to have a result that is not fair. I have never found myself in a position where I might vote differently from the leadership of my party, but the leadership of my party has never been represented by a Liberal Democrat.

Sadiq Khan: Does the hon. Lady think that one of the reasons the Deputy Prime Minister is not here is that Conservatives might support clause 1 if he is not here to make the argument?

Mrs Laing: I understand what the right hon. Gentleman is saying, but it is not for me to second-guess the Deputy Prime Minister. I merely disagree with him on this matter, and do not have any lack of respect for the other duties he is undertaking.

Thomas Docherty: The hon. Lady might recall that earlier this year the Deputy Prime Minister told the House that this measure was not going to be a deal breaker. Any Conservatives labouring under the misapprehension that he will take his ball and sulk if he does not get his way will know that this will not bring down the coalition, however much Labour Members wish that day to come soon.

Mrs Laing: I take the point that the hon. Gentleman makes, and I recall very well, as I am sure the Committee does, what the Deputy Prime Minister said when he was answering that very question at the Dispatch Box. The Deputy Prime Minister is absolutely right to expect that there will be a referendum—there will be one—but its terms and the date on which it is held are a different matter. I wish to protect him from the position in which he finds himself, because I am sure that he would also wish this referendum to be fair and to be seen to be fair. If he were here to listen to these arguments, he might change his mind and decide that in order to have a fair referendum it would be better to hold it on a date other than 5 May 2011.

Sir Stuart Bell (Middlesbrough) (Lab): I congratulate the hon. Lady on her speech, which is holding the attention of the Committee and, like the best speeches, comes from the heart. May I suggest, by way of gentle persuasion, that instead of saying that she might vote against her Government, she say that she will do so?

Mrs Laing: Of course the hon. Gentleman may suggest that to me, and I am examining my conscience carefully in that respect. I have a lot of respect for him and he is doing well in persuading me. I am sure that he would be the first, among most Members in the Chamber this evening, to agree with me that our first loyalty must be not to our party, but to this House, to the democratic process and to the workings of our democracy, which have made ours the strong, great and fair country that it is. Our first loyalty must be to this Parliament, which has exported its fair and decent way of doing things and spread democracy around the world.

Pete Wishart: The hon. Lady mentions democracy and her point is spot on. How dare this mouse of a measure—this splinter of a suggestion—get in the way of the clear choice of the Scottish people? Surely that is a democratic outrage. We should have a free and fair election to decide who will be the Scottish Government, not this nonsense that is in the way, muddying the water.

Mrs Laing: The hon. Gentleman makes a good point. As I have said, I, like most Members of this House, have every respect for the Scottish, Welsh and Northern Irish people and their right to fair democracy and fair elections. That is why I reiterate that our first loyalty has to be to the democratic process, which makes this House and our participation in it what it is, and which makes us the representatives of people who have fairly and properly elected us to this place. We do not have cut-price democracy; we do not have elections that are not properly run. I am very uncomfortable with the idea of having a referendum, which is likely to change our constitution, run in a way that is not seen to be fair. Clearly, there is an enormous number of other dates on which this referendum could be held. Therefore, in order for it to be fair and to be seen to be fair, and for it to command the respect that we need it to command in order to protect our democracy, which gives us the authority to sit in this House of Commons, it must be held on a day other than 5 May 2011.

Naomi Long (Belfast East) (Alliance): The Alliance party would generally support reform of the voting system, with the reservation that the Bill is about changing to AV proportionality, rather than full single transferable vote proportionality, which would be our preference. However, we have significant reservations about the date proposed for the referendum.

In Northern Ireland, 5 May 2011 is already set in legislation as the date of the Northern Ireland Assembly elections, and it is also the date for the local government elections, so two elections are already taking place on that day. The review of public administration in Northern Ireland has led to the date of the local government elections being changed once already, and the Secretary of State recently indicated to us that any question mark hanging over 5 May as the date of local government elections has pretty much been removed, so it is now almost a certainty that both elections will be held on 5 May.

I can understand the argument that some may put that having the referendum at the same time as other elections will increase voter participation, but I disagree: while turnout may be increased in parts of the country where there are other elections on the same day, participation is not the same as turnout. The question is the degree to which members of the public and voters are able to engage on the subject matter of the election, and not simply whether they are able to turn out and vote. Participation will be interfered with if three elections are run at the same time.

Having adequate time and space for a public debate about constitutional change is hugely important. Debate on the substance of the proposed changes will be interfered with if, on the same day, we run the Northern Ireland Assembly elections, which are hugely important to the people in Northern Ireland, and local government elections, which have an enormous impact on people's daily lives.

There has been some debate about which election would overshadow which. I believe that in Northern Ireland there will be little appetite for a debate on the referendum. People and, to a greater extent, politicians will be more concerned about the substance of elections to the Northern Ireland Assembly and to local government. However, even if the reverse proved true, it would not be good for democracy. The elections and the referendum should be separated, so that people can give their full attention to the substantive issues that are up for debate.

In addition to ensuring that people get the full opportunity to participate in debate, there are serious logistical issues, some of which have already been raised this evening. One that causes considerable concern is that if local government elections, regional Assembly elections and a referendum coincide, there will be not simply three different elections but potentially three different groups of valid electors turning up at polling stations to cast their votes—groups with different identification requirements.

That may cause confusion among voters and those who have to administer the system on the day. It is likely to lead to congestion at polling stations, and to fairly serious disputes. There is precedent for that: we have had Westminster and local council elections on the same day, and found that some people were eligible to vote in one election and not the other, or that the information that they received about what is valid identification for one election did not hold true for the other. Our party has made significant representations to the Electoral Commission on that matter. If we confuse that situation by adding the complexities of a referendum, we are putting too much pressure on those who administer the system.

7.45 pm

There is also an issue to do with the suitability and flexibility of the polling stations. Much has been made of the economic benefit of having all the elections on the same day, but there are also potential costs. Some of the polling stations that we use would simply not be suitable for use in three very different elections. We would be required to have a much more complex arrangement to ensure that only those eligible to vote in each separate election could do so, and do so smoothly and without confusion.

The media issue has already been well addressed. In the national media, the focus will undoubtedly be on the referendum, but in the local media the referendum will be entirely eclipsed by the local elections. That issue needs to be considered.

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): The hon. Lady will be aware that people who were born in the Republic of Ireland but who reside in Northern Ireland are eligible to vote in local and Assembly elections, but not in national parliamentary elections or a referendum. The same applies, of course, to migrant workers who come to Northern Ireland. Is that not a recipe for confusion on the day?

Naomi Long: I thank the right hon. Gentleman for his contribution, because all the evidence suggests that that is exactly the case. When we have had national and local elections on the same day, it has caused confusion about who could vote in which election. It has also caused distress when people have turned up expecting to be able to cast their vote but have found themselves unable to do so because they were not a qualified elector in that particular election. I agree with him entirely that that is an unnecessary confusion to visit on the staff who administer the elections and those who turn out to vote.

I also want to raise the issue of campaign material, and I speak as someone who has experience of elections being held on the same day. I have listened very carefully to the representations made by Royal Mail about the complexities of delivering all the campaign material. If we have not just two local elections but a referendum on the same day, the need to deliver all the relevant election material to all the relevant people will place the people at Royal Mail under particular stress. The election material will be less likely to assist voters with their choice than to simply bury them under a deluge of information. I suspect that voters will not engage as fully with any of the elections, given the amount of material that they will receive daily for all three elections.

Jim Shannon (Strangford) (DUP): Does the hon. Lady agree that it is a logistical nightmare to have two elections and a referendum on one day? There might be three boxes when one goes to the polling station. In some polling stations, there will be 20 or 25 boxes for different electoral areas. Logistically, counting the votes will be a nightmare from beginning to end.

Naomi Long: I agree with the hon. Gentleman. I would go further: the problem is not just events on the day; accounting for expenditure on each of the three elections, and managing to keep that expenditure separate enough to satisfy electoral rules, will prove challenging during the campaign.

I want to reiterate a point that has been raised about the opportunity for cross-party co-operation. Those who support electoral reform may want to form a yes campaign, and those who are opposed may want to form a no campaign. Their ability to do so is significantly inhibited if the local government and Assembly elections are on the same day as the referendum, because people will be in full party election mode in the run-up to the date. The effectiveness of any yes or no campaign in areas where there are other elections taking place at the same time will be significantly diminished.

I support the moves being made to reform the electoral system, but the date should be reconsidered. I do not believe that 5 May is an appropriate date. I do not believe that there was significant consultation with regional Administrations about how having the referendum on that day would impact on their area. The issue should be thought through again to ensure that the fullest, frankest and most open debate can take place, and to ensure that when the electorate come to the ballot box, they are fully informed of why they are there.

Dr Julian Lewis: As my hon. Friend the Member for Epping Forest (Mrs Laing) made clear, it is a very serious step to vote against the leadership of one's party for the first time. It will not come as a surprise to those in the Whips Office to hear that I shall be doing that today, because I informed them in advance that that was the decision that I reached. In fairness to them, with their typical liberality, they have not sought to put any pressure on me to dissuade me. *[Interruption.]* They genuinely have not.

What I really regret is that I shall be voting in such a way when the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), is at the Dispatch Box. He smiled as he heard me mention his name. He, at least, is aware that I have had the pleasure of attending the weddings of only two hon. Members. One was Mr Speaker's and the other was my hon. Friend's, even before he was elected

[Dr Julian Lewis]

to this House. I have no doubt that my hon. Friend will reach every bit as eminent a position as Mr Speaker, but I fear that it will not be on the strength of the arguments that we will hear from him today.

The shadow Secretary of State said from the Dispatch Box that he was puzzled to learn that the Government were going for the option of holding the referendum on an important constitutional issue on the same day as party political elections. I am glad to see him re-entering the Chamber in time for me to assist him by answering the question that he put. There is a simple answer: it is because the Liberal Democrats insist on it. The Conservative party would not have dreamt of putting forward this ghastly proposal to substitute the alternative vote for first past the post in any other circumstance, and it is being jerked about by its coalition partner.

Mr Davidson: What the hon. Gentleman has just said is extremely important—if it is correct. He is saying that the AV referendum and the elections are being held on the same day at the behest of the Liberal Democrats. That is immensely helpful. It would be helpful to the Committee if he would make clear what evidence he has that the referendum is to be held on the same day as the elections solely at the insistence of the forces of darkness.

Dr Lewis: I have very good circumstantial evidence. If it were left to the Conservatives, they would not wish this issue to be on the agenda at all; it is part of the price for the formation of the coalition Government. Also, once it became clear that this bad idea of a coincidence of dates was to be implemented, it was said time and again in the press without contradiction—in a way, the hon. Gentleman anticipates the remainder of my speech—that the reason was to improve the possibility of a yes vote. As the Conservatives, from the leader of our party down, have been explicit that we want a no vote, it is hardly likely that they, albeit reluctantly putting forward the idea for a referendum in the first place for the sake of the coalition, would insist on holding it on the same date for the reason that it was likely to get the result that they apparently do not want. I say "apparently" because naturally I believe implicitly everything that the leadership of my party tells me, and therefore I am sure that it does not want us to change the voting system.

Mr Davidson: That was a yes, then. The elections and the referendum are being held on the same day solely at the insistence of the Liberal Democrats.

Dr Lewis: The hon. Gentleman knows that I much admire his tenacity, his persistence and especially his devotion to the aircraft carriers, which I share, but I have to tell him that, for some strange reason, the leader of the Liberal Democrats does not tend to take me into his confidence when it comes to his reasons on issues of this sort. All I have been able to give the hon. Gentleman is my judgment of the situation as I see it. It seems to me that the only logical explanation for insisting on the coincidence of dates is that it is believed that the fact that major elections will be going on in parts of the country where people are used to electoral systems other than first past the post makes it more likely that there will be a higher turnout in those areas and the people there will be more amenable to voting yes to a change in the electoral system. I am glad to see a number of hon. Members indicating their assent.

Thomas Docherty: There has been some speculation as to the whereabouts of the Deputy Prime Minister. He was spotted just a few moments ago walking past the Chamber. We can but hope that he will shortly join us to take part in this debate.

Dr Lewis: I would not bet the farm on it. One of the depressing aspects of the debate, being a touch more serious for a moment, is that we are debating the proposal only because it is a Lib Dem self-interested obsession. Liberal Democrat Members have not even had the guts to come here in any significant numbers to speak up for those policies on which they insist. They are the originators of this mischief, and they are now doing the Cheshire cat act and letting my hon. Friend the Parliamentary Secretary have the sticky end of the wicket trying to defend the indefensible.

Sadiq Khan: Some of us are advocates of AV and would campaign for a yes vote. Does the hon. Gentleman appreciate how let down we feel that the actions of the Deputy Prime Minister make it difficult for us to coalesce a campaign and get support for a yes vote, because on the day of the referendum candidates will be standing on the Liberal Democrat ticket? That will make it very difficult for us to canvass in the days and weeks preceding the elections. It pains me to say this, because I was looking forward to working with the Minister and the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper) on other issues, but our ability to do so has been hindered by the way in which the Bill has been drafted and the proceedings on it have been conducted.

Dr Lewis: I shall give a slightly pragmatic answer. Frankly, as long as hon. Members on both sides of the House work for whatever reason one way or another to defeat such an unwelcome change in our electoral system, I for one shall be extremely happy.

Liberal Democrats are not known for their consistency, and that was well illustrated by the shadow Secretary of State when he revealed something that I did not know: that the Deputy Prime Minister previously opposed in principle holding a referendum on the same day as a general election. At least there would be some sort of level playing field if a referendum were on the same day as a general election. What is so iniquitous about this proposal is that all sorts of elections will be held on the same day in different parts of the country using different systems; and in some parts of the country no elections will be held at all. That is unfair and discreditable. I believe that the idea of the differential turnout was part and parcel of the scheme for proposing the coincidence of dates because it was believed that it would help achieve a yes vote.

We had a lively exchange earlier about whether the coincidence of dates would help the yes vote or the no vote, but the most important thing is not that it might help one side or the other. The important thing is that, if an issue is vital enough to warrant a referendum, it is essential that that referendum should not be adulterated by party political cross-cutting issues on the same day.

One reason why political coalitions in peacetime generally do not have good reputations is their propensity to do dodgy deals behind closed doors. This proposal is the outcome of such a deal. It is intellectually and morally

indefensible. It will not be a pleasure to vote for the first time today against my party leadership on an issue of principle. I hope that I will not be wasting my time and that people on the Government Benches will find it in their hearts to do a good deed today and put maximum pressure on the Government to abandon a thoroughly dishonourable bit of political fixing. I wish I could think of some other words to describe it, but I cannot. This is what happens when parties get together and start tinkering with the rules of the game. We may play on different sides in the game, but we ought to respect the rules. The proposal to hold the referendum on the same day as differential party political elections is an attempt to bend the rules, and we should have no part of it.

8 pm

Mr Davidson: May I first make some remarks as Chairman of the Select Committee on Scottish Affairs? We held a seminar with the Electoral Commission, in which the point was made very strongly by Members of Parliament representing Scottish constituencies who were also Members of the Scottish Parliament that the Scottish Parliament was absolutely and utterly outraged by the fact that there had been no consultation on the proposal to hold the AV referendum and Scottish elections on the same day. They also indicated that the Scottish Parliament had been made aware of the fact that that was the widespread political view in Scotland. The matter certainly had not been drawn to our attention quite so forcefully in other arenas as Members of the Westminster Parliament, but we decided that the best way to explore it was to test the waters by seeking a consultation. Because of the time scale, that would not involve the Committee coming to a firm conclusion one way or the other on the merits of the case, but it would allow Scottish public opinion to express its views. We would post that on and put it before Members of Parliament in the Chamber to inform their discussions. I am glad that many Members have read that evidence, and have drawn on it in their contributions.

It is regrettable that the evidence was made available only yesterday, and I apologise for that. I understand that some Members have not seen it at all. I can only hope that more attention will be given to it by the other place, which will have the opportunity to refer more clearly to the views that have been expressed to us by Scottish stakeholders and by political opinion.

It is also worth drawing Members' attention to the fact that when the Committee met the Scottish Parliament's Local Government and Communities Committee on an informal basis, that multi-party Committee was unanimous in wishing to see the date changed. It wanted the AV referendum to be transferred from 5 May to another date—it did not specify when. It felt, as one of the Members said, "We were here first," as the timetable had already been set for the Scottish election, so the electoral test, which was proposed afterwards, should be shifted. I am glad to have the opportunity to draw that to hon. Members' attention.

Julian Smith (Skipton and Ripon) (Con): Will the hon. Gentleman give way?

Mr Davidson: I am happy to give way to another member of the Committee.

Julian Smith: It is important to clarify the fact that the Scottish Affairs Committee did not take any view on the proposal, and I hope that its Chairman can clarify that.

Mr Davidson: I think that the hon. Gentleman has just entered the Chamber, so he may have missed my saying that we agreed that we would not take a position; otherwise I would be speaking to that position. However, we took the view that it was important—indeed, vital—that political stakeholders in Scotland should be consulted by somebody, because that had not been done by the Government, so we gave people the opportunity to express their views. I am glad that in such a short time many strong views were expressed. To be fair, some people expressed one view and other people another, but there is an opportunity for all those views to inform the debate. The hon. Gentleman will agree that it is regrettable that we have not had longer to discuss those views.

Speaking as the hon. Member for Glasgow South West, I was initially agnostic about AV, and in many ways I remain agnostic about the principle of AV. I oppose the single transferable vote and other forms of proportional representation, but I could live quite easily with AV. I am much more concerned about the context in which the proposal has been introduced. It was in my party's manifesto, so it must be a good thing and should be supported. *[Interruption.]* It is early in the Parliament. I am in favour of the principle of a referendum, but it was never proposed in my party's manifesto that it should be held on the same day as the Scottish elections. There has been some interesting illumination of why that is the case by the hon. Member for New Forest East (Dr Lewis).

I want to make my views known on two points: why we are having the referendum, and why so soon. As the hon. Member for Epping Forest (Mrs Laing) made clear, the Conservatives have agreed—I am sorry if I am not quoting her exactly—that the referendum was the price they had to be pay for tackling the economic crisis. To put it in simpler language, it is the reward to the Liberals for supporting Tory cuts. That is basically why this is happening. Cuts would not go through and would not necessarily command a majority in the House if the Conservatives did not have the support of the Liberal Democrats, who have signed up to a vicious set of proposals on cuts and public expenditure to obtain the reward of a referendum on AV.

The referendum is coming soon, because the Liberals trust the Conservatives no more than the rest of us, and they want to make sure that they are getting the reward sooner rather than later, lest they are simply fobbed off and it does not arrive at all. They do not want to be taken for mugs, so they want to make sure that the opportunities for the referendum are pressed quickly before negative publicity attracts too much opprobrium. In those circumstances, the fact the AV referendum is taking place as a reward for Tory cuts means that certainly in Scotland big campaigns will be run on the basis of saying no to the Tory cuts, no to the coalition's dirty deals, and no to AV.

The way in which that will spill over into the Scottish elections will undoubtedly be beneficial to my own party. It will be immensely damaging, thank goodness, to the Liberals. The Conservatives, who are essentially

[Mr Davidson]

irrelevant in Scotland, will not suffer much damage, because they cannot go much further down. No one can argue in those circumstances that holding the referendum and the elections together will not contaminate the Scottish elections. Admittedly, that benefits my party—and I look forward to that—but it means that the AV referendum will not be conducted on its own merits.

Returning to the lack of consultation with stakeholders, I am genuinely shocked by the fact that the coalition Government chose, as far as I am aware, not to ask anyone in the Scottish Parliament or in civic Scotland what they thought of the idea of having the AV referendum and the Scottish parliamentary elections on the same day. That was entirely a top-down decision. We have heard a great deal about a new politics. *[Interruption.]* I am not sure whether that was an approving heckle, or just a heckle, but I accept that the Member concerned is demonstrating that he is still alive. The fact that there was no consultation or discussion at all very much harks back to the old politics of drive and control, and shows immense contempt for the Scottish Parliament, the Welsh Assembly and—*[Interruption]*—the Northern Irish Assembly; I knew that there was another one. To add insult to injury, it is my understanding that the AV referendum will be described as the senior poll to be given priority when decisions are made about counting, publicity and all these other things.

To hold Scottish parliamentary elections on the same day as the AV referendum is bad enough, but we have been told that those elections will be subsidiary to the referendum, which no one particularly wants. It is not the first choice of anybody, as far as I am aware. It is coming about simply because of the shabby, shoddy and disgraceful deal that I described earlier. That really is an insult—

Sir Alan Beith (Berwick-upon-Tweed) (LD): It was in your manifesto.

Mr Davidson: We were never promising it on the same day.

Let me deal with the question of contamination. Many previous speakers have indicated the way in which they believe the debate will be contaminated in Scotland because of the spill-over. As time goes on, the main focus of debate will not be on the minutiae of the AV referendum; it will be on the impact when the AV referendum is lost by the Liberals. Will the coalition split? What price will they then demand as a reward, because what they got as a reward before will have come to naught? That will be a matter of immense focus, certainly in Scotland, and I am sure elsewhere. The collapse of the coalition only a year into a Government will be of considerable significance, not only in Scotland, but in Britain and across the world. That will be the main focus of attention and will overwhelm the coverage of the Scottish election.

Some of my colleagues, particularly the Alliance Member, the hon. Member for Belfast East (Naomi Long), spoke about the difficulties of joint campaigning on the referendum. While MPs never usually take the fact that something has been said already as an excuse not to repeat it, on this occasion she has said it perfectly adequately so I will refrain from doing so. But there will also be—a point that she did not touch on particularly—confusion about costs. There will be two elections in Scotland, one for the first-past-the-post seats and one for the list seats, and then there will be referendum. People involved in both those elections will be campaigning on behalf of their parties in both elections and on the yes and no side, and there will be cross-cutting cleavages. The process of allocating expenditure will be almost impossible, I should have thought.

Many of us in Scotland are aware—I am glad to see in his place the right hon. Member for Ettrick, Lauderdale and Tweeddale—is it?

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con) *indicated dissent.*

Mr Davidson: Ettrick, Tweeddale and Lauderdale? No? Well, whatever seat he has, it is quite a big and complicated seat to describe, which is perhaps an excuse for why he was unable to fill in his expenses properly. One can imagine how difficult it will be in that constituency when not only are they filling in the expenses for the first-past-the-post seat and the list seat, but the referendum as well. I wish him well in resolving his difficulties, but one can imagine the problems there being replicated all over the country, with the scope for legal actions and threats. They are enormous. On those grounds alone, if there were not so many other grounds to do so, we should be supporting the amendment tabled by the hon. Member for Harwich and North Essex (Mr Jenkin) and opposing the idea of having these elections on the same day.

Nick Boles: It is with great nervousness that I rise to speak, because we have heard so many brilliant speeches—sincere, passionate, beautifully constructed speeches—from senior Members. I think in particular of my hon. Friends the Members for Harwich and North Essex (Mr Jenkin), for Gainsborough (Mr Leigh)—my own particular colleague in Lincolnshire—for New Forest East (Dr Lewis) and for Epping Forest (Mrs Laing). We have also heard some passionate, well argued contributions, in particular from Members who represent parties in the other great nations of the United Kingdom than the one from which I come. It is with perhaps even greater nervousness that I speak as a new Member of the House, here for only a few months, when so many distinguished people, who have sat on these Benches for five, 10, 15 or 20 years, speak against the Bill and in favour of the amendments.

It seems that I will be the lone voice on these Benches to speak in favour of the Government's proposals and against the amendments. This debate, which we have all sat in now for more than four hours, has been a classic case of politicians talking to politicians about matters that interest only politicians and that matter not a jot to the people whom we are meant to represent. It is entirely understandable that this debate should be of such great moment to politicians, because we are discussing the process by which we apply for and interview for our jobs—the electoral system. So it is no surprise that we are all so concerned that we are willing to sit here for interminable hours discussing the finer detail of the funding of elections and of the broadcasting balance.

One would imagine, listening to the contributions from all parts of the Committee, from people of great seniority as I have said, that the process by which people

determine their vote is that they empty their diaries, clear their social lives and spend a full four weeks reading every leaflet, considering every proposition, listening to every programme, weighing up the arguments and being influenced by the precise balance on every programme of the political views expressed. That is not the case. I am humble enough to know that 90% of the people who voted for me last May do not have the first clue who I am and that 90% of them will not have the first clue who I am when in five, 10 or 15 years' time I leave this place. They will never have had the first clue who I am or any interest in that subject, and all power to them.

8.15 pm

The way in which people—normal people who are not interested in the finer detail of political machinations—make up their minds is by getting glancing reactions from the 10 o'clock news. They turn on their television sets to watch "The X Factor", but it is not quite time, so they have to watch some boring programme in which someone is talking about something. In other cases, they have read the sports pages, or their wait for a meeting is dragging on and on, so they read a bit of political coverage. Then they make up their minds relatively quickly. That is not to suggest, as some have suggested, that people are unsophisticated; far from it. Unlike us, who require five hours to churn endlessly through these issues before making up our minds and voting in the Lobbies, they make up their minds quickly. They make judgments about our character, our motives and our arguments quickly. They do not need four weeks separately for all of us to go round and round the issues. They do not need more than four minutes to make up their minds.

Mr Charles Walker (Broxbourne) (Con): Does my hon. Friend agree that our constituents elect us to use our considered judgments on the big issues of the day, and if we are to have a referendum, let us do it in a way that ensures that we get it right?

Nick Boles: I always defer to my hon. Friend, and in particular on the question whether we are right, here and now, to deliberate the issues. I cannot say that it is my idea of fun, but it is what we are here to do, and it is right that we should do it. However, does that mean that we should therefore expect the people to go through a similar process in answering a simple question about a voting system? I do not think that we should.

It is revealing when some Opposition Members talk about the lack of consultation in the other nations of the United Kingdom. They never refer to the opinions of their people. They talk about—I quote the hon. Member for Glasgow South West (Mr Davidson)—there having been no consultation with the stakeholders and about political opinion. To me, that sounds as though we are talking about elites.

Mr MacNeil: Will the hon. Gentleman concede that the Scottish Parliament is the most democratic forum that represents the opinions of the Scottish people?

Nick Boles: I am second to no one in this place, even to the hon. Gentleman, in my respect for the Scottish Parliament. I am a Conservative who always believed that we should have had a Scottish Parliament, and I am delighted that we have one. However, I hold the Scottish Parliament in as much contempt as I do all our political elites, in that we do not necessarily reflect the interests, concerns and priorities of the people whom we represent when we discuss politics itself and how elections are conducted.

Mark Durkan (Foyle) (SDLP): Is the hon. Gentleman's argument that politicians are not good at deferring to the people when they argue about politics? That is not exactly a case for saying that politicians should campaign in elections on the day when the electorate are choosing the democratic process that gives them their power of choice in the future.

Nick Boles: Absolutely not. That is actually the contrary argument. The argument should be that if somebody can present me with evidence that people other than politicians, stakeholders, returning officers and anyone involved in all the other bureaucratic paraphernalia of getting ourselves these jobs would prefer—

Naomi Long *rose*—

Nick Boles: Even in mid-sentence, I give way.

Naomi Long: I thank the hon. Gentleman for giving way. The evidence that I presented during my contribution was that when more than one election is happening on the same day, people often turn up at polling stations with the wrong identification because they are getting conflicting bits of information through the post and are often unable to cast their votes. That issue matters to my constituents. This is not about electoral elites, but about pensioners in my constituency who trek to the polling station and cannot actually vote.

Nick Boles: I have a lot of respect for the hon. Lady's point. All I say to her is that it should be possible to iron out those issues. Why different forms of identification are necessary for different elections is beyond me. I was in the Select Committee when we interviewed the head of the Electoral Commission, and she confirmed that while those are challenges, they are manageable challenges and that there is therefore no objection.

Dr Julian Lewis: My hon. Friend is not only charming, but courteous in giving way so graciously. May I ask him to address the specific objections put forward in the debate, not least one that is completely unaffected by his point about whether people make up their minds quickly or whether they need a long period of time to decide on these issues? Will he address the matter of differential turnout caused by different types of elections being held or not held on the same day?

Even if I accepted my hon. Friend's point that people will make up their minds in exactly the same way with a long period of consultation or a short period of consultation, the fact is that what matters is whether they will go to the polls and cast their votes. By holding the referendum on the day when there are important elections in some parts of the country, less important elections in others and no elections in still others, we will get differential, unfair and skewed results.

Nick Boles: I am surprised that my hon. Friend has made that argument, because he is a doughty defender of freedom and democratic rights. Everybody in this country—in all the countries that make up this country—

[Nick Boles]

will have an identical democratic right to cast their vote in the referendum or not. We should not judge whether they want to or whether the campaigns will motivate them to. We already have differential turnout across general elections. So long as people have an identical right, it is all that matters.

I have detained hon. Members for far too long—

Mr Jenkin: I am most grateful to my hon. Friend for making this speech, because it is illuminating. We have the new politics, and I think that we are hearing the new elitism: we do not mind how ill informed electors may be or how difficult it is for ordinary electors to hear a clear argument—it does not matter, because we know that they are not interested and that we will just do what we want. Is my hon. Friend not describing that new elitism?

Nick Boles: I defer to my hon. Friend on elitism, a subject on which he is a great expert. However, calling people "ordinary", and saying that if they do not have four weeks of a constant barrage of information on a particular subject they will be ill informed sounds pretty elitist to me.

Chris Bryant (Rhondda) (Lab): It seems to me that the hon. Gentleman's argument now boils down to his belief that we should not be wasting three hours—he said four hours, but actually we have been going for only three, although it may feel like four—on all this, because we have not spoken to our electors and asked them what they think. I am sure that most of my electors in the Rhondda would say that they do not want any messing around with the constitution in this particular way, so the hon. Gentleman's argument is basically against the whole Bill.

Nick Boles: I hate to have words put in my mouth by anyone, let alone the hon. Gentleman. However, he is close to my conclusion, and I will now get to it. It is that most people, if asked, would say, "Ask us once a year what we want and what we think about how we want to be run, and then just get out of our lives and get on with it." That is why I welcome legislation that says that once a year we will have a general election, national elections or a referendum.

I take an even more radical position. I would have, as in America, a date that everybody knows. People there can say what the dates of the presidential, congressional, mayoral or gubernatorial elections will be in 40 years' time. Everybody knows when elections are, which is when they start to look at the questions.

Chris Bryant: It is every four years.

Nick Boles: It is every two years, actually, because there are mid-terms.

That is the time when all this should be done. It is the right way to conduct elections and to handle these matters, because it responds to how people think about the issues, rather than politicians.

Mr Nigel Dodds (Belfast North) (DUP): I am grateful to you, Mr Hoyle, for the opportunity to speak in this debate. I say "debate", but until the hon. Member for Grantham and Stamford (Nick Boles) spoke, it was not much of a debate, but more of a monologue: every speaker, apart from the Minister, had the same opinion in support of the amendments that would move the date of the referendum from the date scheduled in the legislation.

The hon. Gentleman talked eloquently about the people, and politicians, talking to each other. I have no doubt that none of this debate this afternoon and evening will get any coverage at all anywhere in the main news media. I doubt very much whether it will get any coverage in the press tomorrow. Frankly, people are not interested in the subject. That is the reality. If we were really honest about it and were following a new agenda and new politics, we would be saying that what we are discussing is not on people's minds at all: they are far more interested in the economy, jobs and the wars going on, with soldiers dying and all the rest of it. They are not interested in our spending days upon days debating this subject, which is of interest only to certain politicians in certain parties.

Thomas Docherty: The right hon. Gentleman is absolutely right that the issue of electoral reform does not excite interest. However, I can certainly say that Scottish newspapers have followed with interest—indeed, anger—the fact that the Government will not listen to the devolved Administrations around the United Kingdom.

Mr Dodds: I take the hon. Gentleman's point. He spoke at length about his own amendment. Of course people in the devolved regions are concerned about the impact, on their elections and their issues of concern, of having this referendum question imposed on them without any consultation. The respect agenda has been mentioned over and over again, and the fact that there was no consultation with the devolved Administrations or the elected representatives of the people of Scotland, Wales and Northern Ireland is an indictment of the Prime Minister's and Deputy Prime Minister's approach to the subject.

We are debating this matter today, and tomorrow we will debate the increase in the EU's budget. Many people outside will say, "What on earth is going on in Parliament?" Today we are debating a subject that is of no interest to people given the current challenges, whereas tomorrow we will vote on giving the EU more money despite the 25% cuts in the budgets of mainstream Departments in the United Kingdom. People have a right to ask why there is a disconnect between the people's priorities and the politicians' priorities—or perhaps I should say the Government's priorities. So far, since they came to power, the main focus of the Government's legislative programme has been to rush ahead with fundamental constitutional changes and major changes to our political process and our democratic way of working in Parliament and in this country, without any of the normal conventions having been followed. There has been no pre-legislative scrutiny of major legislation, which is deeply disquieting when we consider the future of this place.

8.30 pm

I shall not repeat what other Members, such as the hon. Member for Belfast East (Naomi Long), have said about the impact of the referendum being held on the same day as the elections in Northern Ireland. We have heard from various Members that the same points apply in Wales and Scotland. It is a major concern that

there will potentially be three elections on the same day in Northern Ireland—council elections, Assembly elections and the referendum.

The problem is not that people in Northern Ireland are not adept at voting in different elections with different voting systems, or used to doing so. They are more than capable of getting their heads round that. The problem is that the national media will concentrate on the AV referendum, which will be confusing for people. There are also practical and logistical problems for the political process, such as the different electoral registers and electorates that exist for the council and Assembly elections and the referendum. There will be council elections and Assembly elections based on the single transferable vote, and a referendum by simple majority on whether we should have AV for Westminster elections, so one can imagine the potential for confusion.

Jim Shannon: My right hon. Friend will be aware that this week, the question to be asked in the AV referendum was changed because of a belief that the general public did not have the capacity to understand it: it was thought important to get the question right so that people would get the answer correct. A Cabinet Office spokesman said that it was important that

"the referendum question is clear and simple to understand."

Does my right hon. Friend agree that the same logic should be used when it comes to the Assembly and council elections? They should be kept separate from the referendum to make them clear and simple to understand.

Mr Dodds: I agree with my hon. Friend, and the referendum question will, I hope, be the subject of another debate later this evening.

If there is to be a change of date, it has to be to the date of the referendum. There can be absolutely no question of the elections in Scotland, Wales or Northern Ireland being moved. As all parties in the Northern Ireland Assembly have said—I cannot speak for other devolved legislatures—our council and Assembly elections should proceed on the designated date in May, and the referendum vote should be held at a different time. I hope that the Secretary of State for Northern Ireland will take that on board, because the situation is unlike the one in Scotland. A Conservative Member mentioned the Scottish Parliament's ability to move the date of the Scottish Parliament elections, but in Northern Ireland the Assembly cannot vote to move the date of Assembly elections. It can vote by a two-thirds majority to dissolve itself, but only the Secretary of State can move the date of the Assembly elections. That is a real problem.

Dr McCrea: Does my right hon. Friend agree that it is strange that not one Member has spoken up for the Bill from the party that says that the matter is of paramount importance to the UK and must be pushed through before other legislation? In fact, the one Member who spoke to support the Bill, the hon. Member for Grantham and Stamford (Nick Boles), said that 90% of his constituents did not even know who he was.

Mr Dodds: I am sure that the same could not be said of my hon. Friend. Doubtless at least one Liberal Democrat Member will seek to catch your eye, Mr Hoyle, at some point in the debate, and we all look forward to that contribution immensely.

Given that there has been no pre-legislative scrutiny and that the measure is being rushed through—that flies in the face of normal constitutional conventions about seeking cross-party consensus—and given that legislation will also be introduced on, for example, House of Lords reform, it is vital to take the opportunity tonight to vote down the proposal to hold the referendum on the same date as the Scottish, Welsh and Northern Ireland elections.

Mr Mark Williams: I am delighted to be called at such an opportune moment. The hon. Member for Grantham and Stamford (Nick Boles) spoke of the purgatory that he has endured in the past few hours. As a Liberal, sitting here has not been the most pleasurable experience for me, either.

Let me start by dispelling the myth that I am either distinguished—the accolade that the hon. Member for New Forest East (Dr Lewis) bestowed on me; I was sitting next to my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith), so it was a case of mistaken identity—or an anorak, which the hon. Member for Gainsborough (Mr Leigh) accused me of being. Indeed, I am also not an agent of the forces of darkness, as suggested by the hon. Member for Glasgow South West (Mr Davidson).

I did not intend to speak, but, like other hon. Members, my conscience has been pricked by some contributions. I say, first as a Welsh Member of Parliament and secondly as a Liberal Democrat, that the debate has been powerful—a little one-sided, but none the less powerful—and it has touched on the legitimacy of the devolved institutions.

I remain enthusiastic about the referendum. The alternative vote system is not ideal—it is not the system for which my party has spent many years campaigning; that is STV—the single transferable vote. However, it is what is on offer. I do not believe that there were great conspiratorial discussions in the Cabinet Office or anywhere else when the coalition document was drawn up. Indeed, I know that there were not.

As a Liberal, I believe in government partly by referendum. We should not lose sight of that: whatever our view of AV, we are putting the matter to the British people. I do not accept that there has been a conspiracy. We have heard different evidence from different people about the effect of differential turnout and the alleged implications of the date.

I want to focus on three issues. The first is cost. The right hon. Member for Tooting (Sadiq Khan) said that cost was a significant factor. Others dismissed that, but I would like to hear from the Minister about cost. I came here believing that it was a factor, but others have said that it is not, so I want to hear more.

Secondly, I want to acknowledge the comments of the hon. Member for Grantham and Stamford. I know what my voters in Ceredigion and Aberystwyth will say when faced with the prospect of three elections in a year. They said it when we held the first elections for the National Assembly in the same year as the community council and county council elections. "Not more elections!" they said. I want to deal with that specifically when we consider turnout, because it is a concern.

Thomas Docherty: On the rare occasions when the Deputy Prime Minister has taken part in any sort of debate on the issue, he claims that this is the greatest

[Thomas Docherty]

reform since the Reform Act 1832, yet the hon. Gentleman suggests that it cannot excite the good burghers of his constituency. Which is it?

Mr Williams: The hon. Gentleman is being selective. The Bill is one part of a big package. We have not even started work on reform of the second Chamber. The Government will tackle a whole range of issues over a longer period. Have I, like the hon. Gentleman, had the biggest postbag on AV? No, I have not. It is important to galvanise opinion in this country by putting the question to the people in a referendum.

Thomas Docherty: On further reforms, would it have made more sense to have a proper constitutional debate, perhaps through a constitutional convention, and to put all aspects of the reform agenda into a single Bill, rather than rushing this Bill through, as the Government are trying to do?

Mr Williams: I have been in the House for the last five years and the hon. Gentleman has been here only five months, but he is answerable for the inactivity of the Labour party on those issues. The Liberal Democrats and our Government have taken the right stance. We need to judge the package over a longer period.

As for simplicity, it resonates strongly with people that they will be able to go out and get it all done in one go when they vote on that polling day. That is the most important point. However, on consultation with stakeholders, which the hon. Member for Glasgow South West talked about—my friends in the nationalist parties will agree with me on this—I deeply regret the extent to which my Government have not always been thorough in their dialogue with the National Assembly for Wales and the other devolved Governments of this country. They need to acknowledge that. I will be interested in what the Minister says about that in the context of the extent of consultation to date. The Government need to improve on that if they are to take the National Assembly for Wales and the people of Wales with them.

Mark Durkan: All hon. Members appreciate the remarks of the hon. Member for Ceredigion (Mr Williams). We take both the sincerity of his criticism of his Government and his defence of the proposals, but we have not heard any supporter of the Bill answer this question: what is the imperative of 5 May 2011? Why the absolute insistence on that date? I think the Deputy Prime Minister will come to regret that as a serious episode of premature calculation. He somehow decided that it suited him for internal party reasons, and perhaps for the prospects for success in the referendum, to go for that date.

I fully recognise that Liberal Democrats did not want a Bill that did not contain a guaranteed date, which is why they will be suspicious of some amendments in the group. They will say no to some proposals because they would allow too much elasticity and too many other conditions to get in the way. There was therefore an imperative to include a date.

It was probably also imperative for Liberal Democrats to have a date in 2011, and probably one before next year's Liberal Democrats annual conference, just as Second Reading of the Bill was scheduled conveniently before this year's conference, so that they had a trophy and could say, "Look what we're getting already! Look what we're putting through!"

I understand those political needs—the Liberal Democrats needed to assure themselves and their activists that the Bill was real—but amendment 1, which was tabled by the hon. Member for Dunfermline and West Fife (Thomas Docherty) and to which I have put my name, addresses and accommodates such imperatives. It would guarantee a date before the Liberal Democrat conference, but it would also ensure that the date was not in conflict with other important elections, such as the long-delayed and overdue local authority elections in Northern Ireland and the Assembly elections, which other right hon. and hon. Members mentioned. We have also heard that argument from Welsh and Scottish Members in respect of elections in their countries.

Amendment 1 offers Liberal Democrats the certainty of a date, without the complications and conflicts that attach to 5 May. The proposal would also ensure, as others have said, that parties could duly observe the proper six-month referendum period, and that the Electoral Commission could properly monitor it, as per its responsibilities. Members should reflect on the fact that this will be the first test of the Electoral Commission's handling of a full-blown, cross-UK referendum. It will be the first test of how it discharges its responsibility for overseeing the proprieties imposed on it by the Political Parties, Elections and Referendums Act 2000. To ask the commission to discharge that role in the context of so many other campaign atmospherics, with various leaflets and materials being sent out in at least three areas of the UK, is too much.

8.45 pm

Politicians will end up crossing the line and answering referendum-related questions in a context that is meant to be election-related. National networks will find it difficult to deal only with the AV referendum and not with the elections in Scotland, Wales and Northern Ireland, and the regional networks will be in serious trouble in covering the campaigns properly. For instance, how will they cover the election campaign in Northern Ireland? Will they have to tell people that they are not allowed to ask a panel of candidates about the referendum? If candidates in the election talk about the referendum, they might influence matters. Regional networks will have to try to run separate coverage, so that those of us who wish to campaign in both the election and the referendum can do so separately and can show that we did one thing in relation to one campaign and another in relation to the other campaign. That will create an impossible position, and the difficulties will include trying to rein in the excesses of the big networks and dealing with the dilemmas for regional broadcasters in covering the parliamentary and Assembly elections.

Lorely Burt (Solihull) (LD): I am trying to follow the hon. Gentleman's argument and wondering how his constituents might feel about different types of election being held at the same time. I do not understand why he thinks that they are not capable of understanding that. Can he not give them the credit for being able to comprehend the difference?

Mark Durkan: I fully recognise that the electorate in my constituency and elsewhere in Northern Ireland can cope with having different elections on the same day.

Irish people can cope with elections and referendums on the same day, as we have seen in the south of Ireland. However, the electoral body in the south learned the lessons from that and pointed out the serious issues that arose, including in relation to programmes that were meant to be about the referendum campaign, with a representative from the yes side and one from the no side. But some parties involved in the election on the same day were not included in the broadcasts, and that caused serious controversy about the balance of the coverage. The legislation that this House has previously passed about the obligations in referendums and election campaigns is already difficult to observe, but it will be even more difficult to observe it when both are held at the same time.

Mark Tami (Alyn and Deeside) (Lab): If the argument is that the elections and the referendum should be held on the same day, surely we should also have the vote on extra powers for the Welsh Assembly on the same day. However, the Liberal Democrats in the Assembly are not arguing for that. They want it one way for the referendum and another for that vote.

Mark Durkan: My hon. Friend has punctured the argument and identified the inconsistency of the Liberal Democrats, and I shall not add anything further on that.

As legislators, we will have to think about these difficulties. We must look at previous legislation and at the situations that might be generated by what we do tonight. It is not about saying that the public cannot cope with different choices, but about the media and political systems and the Electoral Commission itself. Many of us have asked questions in the past about how well the commission does its job of monitoring elections and election expenditure, and the bye balls it appears to give to some people who cannot complete returns or who put in returns of very little expenditure that completely contradict their evident and expensive publicity material. So it is about ensuring that the elections are fought free from controversy and confusion about referendum campaign spending, and about ensuring that the campaign takes place in conditions that are most conducive to full and proper debate.

The hon. Member for Belfast East (Naomi Long) made an important point about cross-party campaigning. One of the benefits of a referendum campaign that perhaps enables people from different parties to unite and join forces to commend or resist a reform is that it offers an almost unique opportunity in Northern Ireland for cross-party campaigning and a public debate. That will be completely eclipsed if the referendum takes place against a backdrop of Assembly and local government elections. The imperatives of party politics and the party vote will always outweigh the democratic debate about which is the better voting system.

I believe that in Northern Ireland we can have a debate about the merits of the alternative vote, and if later amendments succeed and we have a bigger choice in the referendum, so much the better. However, we could at least have a debate in Northern Ireland about the alternative vote, which would be one way of freeing us from the tragedy of the first-past-the-post system. The latter condemns us to sectarian head counts at Westminster elections, because people have to vote tactically either for the nationalist likely to beat the Unionist or the Unionist likely to beat the nationalist. People who want to vote for other reasons and express more sophisticated political preferences and endorsements find themselves trapped in that sort of sectarian head count by first past the post. If people do not want to be freed from the sectarian headcount, they can make that choice, but at least let us have that honest and open debate on a cross-party basis. We will not be able to have that debate if this referendum takes place on 5 May 2011. If that is what the Liberal Democrats want to condemn Northern Ireland to, so be it, but the rest of us want better—not just for next year, but for the future.

Some Members have raised issues about differential turnouts. I am less concerned about that. If I am concerned about anything, it is that some Conservative Members who do not have to contend with elections of party colleagues in their constituencies will turn up and have time to spare campaigning on the referendum in Northern Ireland. They could be prolific and very active in the referendum campaign, while the rest of us would be preoccupied with election campaigns. The issue of differential attendances can work more than one way, which is why hon. Members, including the hon. Member for Gainsborough (Mr Leigh), are right to say that we should suspend our calculations of how one day might favour the vote on one side or another. Let us just say that we want to ensure as little confusion and controversy as possible. If we go for the day proposed, there will be confusion, controversy and allegations of undue conduct and improper spending, which will only bring us back all over again to the expenses scandal and the contamination of politics by money.

Hywel Williams: We have had a very good debate, and I will not detain the Committee with repetition. However, I would like to thank the hon. Member for Grantham and Stamford (Nick Boles), who defended the Government's position.

Mr MacNeil: Promotion, promotion!

Hywel Williams: Promotion, indeed. The hon. Gentleman was heroically, magnificently incoherent—so he should go far on the Government Benches.

The hon. Member for Ceredigion (Mr Williams) distanced himself—and, to some extent, his party—from this shambles. That has a significance in Wales that some hon. Members perhaps do not quite realise.

As far as I can see, there are many, many reasons not to hold the referendum on the same date as the elections in Wales, Scotland and Northern Ireland, but so far no compelling reasons have been offered for why we must have the referendum on 5 May next year, apart from the reasons alluded to earlier: that this is part of the deal between the two parties that make up the coalition. As far as I can see, that is the only reason offered.

My major concern is that the referendum is to be held on the same day as the Assembly elections in Wales. In that respect, the arguments that we have heard about political interference from one campaign to the other are pertinent. It is difficult for us to hold the Assembly elections and the referendum on the same day, not least because of the points that have already been made about the media. In Wales, English newspapers have a huge penetration. Very few people read newspapers

[Hywel Williams]

originating in Wales. The debate is therefore dominated by UK issues, or perhaps even by English issues. That will have a significant effect on the democratic debate leading up to our Assembly elections.

The argument has been made that there is a cost element involved, but, as I said in an earlier intervention, we will now have another referendum in Wales, on 3 March—we will have one on 3 March, one on 5 May and the Assembly elections on 5 May. That blows out of the water some of the arguments about cost.

Chris Bryant: The hon. Gentleman said that there would be a referendum on 3 March. My understanding is that the Assembly has asked for that referendum to be held on 3 March, but we have not yet heard from the Secretary of State for Wales whether there will be a referendum on that date or not.

Hywel Williams: I take the hon. Gentleman's point entirely. One of the reasons put forward for holding that referendum on 3 March is that there might be contamination between the referendum on further powers, the referendum on AV and the Assembly elections. That argument has been made by those in all parties in Wales, and it is the same argument that we are making this evening.

If we are not to have three elections on the same day in Wales, as the cost argument proposes, then why are we having two? Surely the argument against having three works against having two as well. There are a number of reasons for not holding those elections on the same day, including the difficulties of having a full and clear debate. Some hon. Members will remember the referendum that we had in 1979, when the unpopularity of the Government intruded strongly into the debate on whether devolution should have been introduced at that point. Unfortunately, the devolution question was not uppermost in many people's minds in 1979.

There are administrative difficulties for the electoral services departments in councils. The number of ballot papers and the confusion among the general public has already been referred to, as has the ability to process electors at busy polling stations. All those reasons, which have been mentioned by other Members, are persuasive. There is also the issue of administration. Referendums have been organised in Wales on a number of previous occasions—we have even had one on Sunday opening. We are used to referendums in Wales, but they are normally organised on the basis of local government units, of which we have 22. However, on the same day as the referendum, we will be having Assembly elections organised by constituencies, 40 of which will be decided on first past the post, with a further 20 being decided on the d'Hondt 2 system. That is a recipe for potential confusion to say the least.

Thomas Docherty: The hon. Gentleman mentions previous referendums, but when it comes to counting the ballot papers, is it normal practice for the ballot papers in referendums to take priority over the sovereign elections to the Welsh Assembly or local authorities?

Hywel Williams: I will refer to that point in a moment, but it is a significant one. The questions that immediately come to mind are: who will have responsibility for ensuring the correct polling cards are sent out? Who will take responsibility for ensuring that the ballot boxes are returned to the correct authority, so as to ensure that counting takes place? And, as the hon. Gentleman has said, will the UK referendum be counted first, and is that not an insult to democracy in Wales, Scotland and Northern Ireland?

I draw the House's attention to the election in the Vale of Glamorgan in 2007. Counting went on throughout the night, finishing at 10.30 am after five counts. Fortunately, there was no need for recounts on the regional list papers; otherwise, it would have taken even longer. We might, of course, have that sort of recount in May. There are also questions about the feasibility of holding the three votes at the same time.

9 pm

Due to the nature of the elections, the electorate in Wales will face three ballot papers at the same time: a yes/no, a d'Hondt and a first past the post. There will be two for the election for the Assembly, including one for the constituency. That could lead to the same congestion at the ballot boxes as people experienced in May this year. If many electors needed to have the ballots explained to them because they had not fully understood the significance of all three papers, that would eat further into the time available for voting. There are very persuasive arguments in favour of not having the election and the referendum on the same day, and I urge the Committee to support amendment 155.

Graham Stringer: This has been a long debate on clause 1 and one thing that I have learned, and which could apply also to other parties in the Chamber, is that we should all go to Grantham and Stamford and introduce 90% of the electorate to the hon. Member who represents them at the moment. If they knew the hon. Member for Grantham and Stamford (Nick Boles), there would perhaps be a different result in that constituency. He did, however, point out that some of the debate that goes on here does not have a resonance outside; people are not talking about d'Hondt, the alternative vote or PR.

My position is that there should not be a referendum. On 9 February, when there was a vote in the House on the issue, I was not persuaded when the Whip said, "Vote for a referendum on AV because the Lords will overturn it." That struck me as an inadequate justification for a major constitutional change, and I have not altered my position. I have listened to all the contributions today, and I watched with exquisite pleasure the misery on the faces of his right hon. and hon. Friends on the Front Bench as the hon. Member for Harwich and North Essex (Mr Jenkin) destroyed the case for a referendum on 5 May—the same day as different elections in different parts of the United Kingdom. I think that that argument was won fully. I also accept what my hon. Friend the Member for Glasgow South West (Mr Davidson) said, which was that one reason why we are discussing the matter when people outside do not want to do so is quite simply that a deal was done between the Lib Dems and the Conservatives. The Conservatives do not like it but it will keep them in power, and it will give a political advantage to the Lib Dems, who will therefore vote for cuts.

The situation is slightly worse than that, though. There is a double gerrymander in the Bill. The changes in boundaries—perpetual changes without any right to

challenge them—deal only with a tiny part of the problem of more votes being needed to elect a Member from one party than from another. The Bill also cuts 11%—a Rawlings and Thrasher estimate—of the seats that the Labour party has, 11% of those that the Lib Dems have, and 4% of those of the Conservatives. In an alliance, there has to be a quid pro quo, so what is it? It is believed, with rather less statistical analysis than in the boundary review, that AV will benefit the Lib Dems. It may well do so; I suspect that there is some common sense to that.

The justification for the referendum on AV, then, has nothing to do with what the Deputy Prime Minister tells us—that it is about putting trust back into politics after last year's horrific expenses scandal. I have yet to hear any explanation as to how AV as opposed to first past the post will make people feel better about somebody who wants to buy a Stockholm duck house at the public expense. There is no relationship whatever between the two issues.

I have come to a slightly different conclusion from that of Conservative Members to whose speeches I enjoyed listening. Fundamental constitutional change is proposed which will give advantage to the two political parties in a coalition Government. It is more common to change the rules in between elections for the party political advantage of those parties in government. This proposal has been a trait more of nearly democratic countries in eastern Europe in the past, and now more commonly occurs in Africa. If Parliament is to go through with what I consider to be an unnecessary referendum, it should be with an eye not to the next general election, where clear vested interests are at stake, but to the one after that. That is why I tabled amendment 225.

Some good general points against having referendums on the same day as other elections have been made, but the focus of a UK-wide election and a decision to change the voting system for the future takes out the rather cynical self-interest of the two parties in government. When not just 85% but 100% of the electorate are involved, such a thing is worth doing. There is thus a sound argument for proceeding on that basis, although there is not much of a sound argument for having the referendum itself.

Let me provide the three reasons why I believe it would be worth proceeding on such a basis. First, there would be a higher turnout—coherently and consistently across the whole country. Secondly, there would be no self-interest, so we would avoid the cynicism of the two parties in coalition changing the rules in between elections to their own advantage. Thirdly, although the hon. Member for Grantham and Stamford thinks that everyone can understand things instantly, I do not. This is a complicated issue and most of the electorate take these things seriously. Much of the current propaganda says things that might be true but are not true. People say, "If you have AV, you get the support of 50% of the electorate." Well, in some cases that is so; in others it is not. It is still possible to get elected on AV on less than 50%.

Some people believe that AV is more proportional. In some cases, such as the general elections of 1983 and 1997, AV would have produced a less proportional result, with more extreme victories for the Conservatives and Labour respectively. What AV probably does produce—experience of this coalition before the next general election will provide a very good argument against it—are more coalitions. For those reasons, I will support amendments that move the referendum away from 5 May, because that is the worst of the proposals before us. My preference, however, is for having a referendum that will affect not the next general election, but the one after that.

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): My hon. Friend the Member for Grantham and Stamford (Nick Boles), who does not appear to be present at the moment, said that he might be the only speaker for the Government. Fortunately my hon. Friend the Member for Ceredigion (Mr Williams) chipped in with some additional support. I can reassure him and, indeed, the Chief Whip that I too intend to speak on behalf of the Government.

All the amendments seek to delay the date on which the referendum takes place, either proposing a specific alternative or suggesting a mechanism enabling the date to be determined later. Some, including amendments 4 and 126, are intended to prevent the combination of the referendum with other polls.

I am aware of the concerns that have been expressed about the combination of the polls next May, but they ignore the fact that it is not unusual to combine elections. Many of us, either this year or in 2005, were elected at a general election, determining who would govern the country, on a day on which people were voting in other elections. I therefore do not think it reasonable to suggest that people are not capable of making decisions about various levels of government and voting on referendums on the same day.

Mr Jenkin: I am reluctant to intervene so early in my hon. Friend's speech. However, I think that there can be a justification for combining different elections on the same day, simply because the political parties are likely to be fighting analogous campaigns in those elections. The difference between that and combining a referendum with an election is that the referendum issue is, or should be—as the Electoral Commission suggested in 2002—elevated above party politics. It is rather more difficult to elevate the debate about the referendum issue above party politics if those taking part in referendum campaigns are taking part in party political election campaigns at the same time. The hon. Member for Foyle (Mark Durkan) made that point extremely well.

Mr Harper: I am not sure that I agree with my hon. Friend that parties campaign on the same issues. In 2005, when elections to Gloucestershire county council were taking place and I was also fighting a general election, we were campaigning on very different issues. We were campaigning on national issues for the purposes of the general election, but on specific local issues for the purposes of the Gloucestershire election.

Our programme for government made a commitment to the public to hold the referendum. We feel that the public have a right to expect that commitment to be delivered promptly, and we believe that holding the referendum on 5 May next year will deliver it.

I do not follow the argument about differential turnouts. Most of the country will vote next year, 84% of the electorate in the United Kingdom and 81% of the

[Mr Harper]

electorate in England. It is not true that everyone in England will be faced with other elections, but the vast majority will. A significant amount of money—about £30 million—can be saved for the taxpayer. Although that is not a reason for combining elections, it seems to me that if there is to be a referendum and if there is no other obvious reason why a combination does not make sense, going out of our way to spend an extra £30 million, particularly at a time when money is tight, would be perverse.

Thomas Docherty: There is a question that I hoped to ask the Deputy Prime Minister, but I am afraid that the Minister will have to answer it. Have he and the Deputy Prime Minister actually read the Gould report, and if so, when?

Mr Harper: We have indeed. I was coming to that. Let me try to find the relevant page about Mr Gould so that I can whip it out.

I can tell Members on both sides of the Committee who were keen on overnight counting in the general election—I seem to remember that it was proposed by my hon. Friend the Member for Epping Forest (Mrs Laing), and that her proposal received tremendous cross-party support—that those who say that Ron Gould is the fount of all knowledge, and that his views on elections should be listened to unquestioningly, ought to know that he does not believe in overnight counts of ballot papers. Those who cite him as the fount of all wisdom should be a little cautious.

To be fair, Ron Gould says that he would prefer the two polls to be held on separate dates. However, he also says that he does not think that holding them on the same day would cause the problems that were experienced in 2007, because voting systems are less complex now. He points out that there will be elections based on existing systems that will not be changed, along with a simple, straightforward question. He does not foresee the problems that the hon. Gentleman seems to anticipate.

Thomas Docherty: When did the Minister and the Deputy Prime Minister first read the Gould report? Was that before or after they announced the referendum date?

9.15 pm

Mr Harper: The Deputy Prime Minister and I have looked very carefully at the submissions Mr Gould made to the Scottish Affairs Committee, and also at the other submissions. We have also looked at the relevant sections of the Gould report, and the analysis is not the same. We are not talking about multiple voting systems. We are talking about a straightforward question with a yes or no answer. I simply fail to see why that would cause an incredible amount of problems.

I think voters are perfectly able to distinguish between the polls. On Second Reading, I said to the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) that he was understating the qualities of his own constituents and the Scottish people in general. I think they are perfectly capable of making judgments about who they want to represent them in the Scottish Parliament—as, indeed, are Welsh and Northern Irish voters in respect of the Welsh and Northern Ireland Assemblies—and of making a judgment about what the voting system should be for this Parliament. I think they are perfectly capable of making that judgment, and I am surprised that the hon. Gentleman does not agree.

Mr MacNeil: I was not in any way casting aspersions on the electorate. I was casting aspersions on the capabilities of the media to deal with more than one issue. They are obsessed with programmes such as "The X Factor" and they struggle with complexity—as, I am a little surprised to discover, the Minister is too at the moment.

Mr Harper: I was referring to the debate we had on Second Reading. I shall come on to the hon. Gentleman's contributions of today shortly.

Several hon. Members *rose*—

Mr Harper: I shall give way now to the Chairman of the Scottish Affairs Committee.

Mr Davidson: The comments of Ron Gould to which the Minister has referred deal, I think, with the previous Scottish and local government elections. Is the Minister aware that on 21 September Ron Gould said in a note to the Committee:

"My basic view is that it would be preferable to separate these two voting activities in order to give the voters the opportunity to focus specifically on each of them"?

To be fair, he also said that the same complexities are not present in both sorts of election. However, he went on to say that the evidence suggests that

"in this event a number of pilot projects and focus groups be carried out to identify any unforeseen problems which might arise."

Does the Minister intend to undertake such studies before a joint AV referendum and election are proceeded with?

Mr Harper: I do not think the hon. Gentleman was listening carefully enough to what I said. I clearly stated that Ron Gould said in the evidence he submitted to the hon. Gentleman's Committee that his first choice would be to hold the polls on separate dates but that he did not think that the same complexities as arose in the 2007 votes would arise in this instance. My officials have been working closely with electoral administrators across the UK, and with the Electoral Commission, to do exactly what Ron Gould suggests, which is to make sure that any combined polls are run smoothly and well and go ahead without problems. That has been taking place during the summer.

The rigorous testing carried out by the Electoral Commission should also reassure those worried about voter confusion—a point made from the Opposition Benches. The new draft of the question, which we will be debating shortly, enables the electorate to understand clearly the choice they are being asked to make and to express their views.

Thomas Docherty *rose*—

Mr Harper: Let me just make some progress so that I can deal with the points made in the debate.

I also do not accept the proposal in amendment 155 that the referendum date should be agreed by the Scottish Parliament and Northern Irish and Welsh Assemblies—

despite the respect that, of course, I have for them. The dates of elections are not agreed in conjunction with them. There is no precedent for suggesting that elections or referendums can be held only with the consent of those involved in other polls. I do not think it is appropriate for devolved Administrations, effectively, to be able to veto policies of the UK Government. Although they might welcome that, neither I nor the Government think it is appropriate.

Several hon. Members *rose—*

Mr Harper: I am going to make some more progress, or else I will be in danger of not answering the significant number of points made in this debate.

I am conscious of having given the Committee, through today's programme motion, an extra hour of time, and I want to make sure that we reach our debate on the question that we will put to people in the referendum.

Amendments 6 and 126 suggest that the Electoral Commission should have a role in assessing the suitability of the poll date. Amendment 6 goes further, suggesting that the Electoral Commission should recommend the date and the length of the referendum period. I do not think it is right in principle that the Electoral Commission should have any of those roles. It is surely right that if the Government intend a referendum to be held, they should propose the date, which should then be discussed and agreed by Parliament. Proposing that the Electoral Commission should assume responsibility drags the Electoral Commission, which should be neutral, into the heart of that political debate, and that is not appropriate. That is why the Government are not able to accept those amendments.

Amendment 225, which was tabled by the hon. Member for Blackley and Broughton (Graham Stringer), who spoke last, proposed to change the referendum date to that of the next general election. Clearly, that was designed to undermine the commitment to move quickly on our reform process. Delaying the referendum to 7 May 2015, which is the date of the next scheduled general election under our Fixed-term Parliaments Bill, does not make any sense. Having a referendum on the voting system for the general election on the same day that the general election is to be held does not make sense.

I shall now deal with some issues raised during the debate. The hon. Member for Na h-Eileanan an Iar—I hope he will forgive me if I do not pronounce that quite right, because I do try—opened the debate, making clear his view that the respect agenda was not intact and referring to the counting of the results. The Government have made it clear—I know that the Electoral Commission shares this view—that counting the election results first is important, because it does matter who governs Scotland, Wales and Northern Ireland. That is the plan; the referendum result will be counted when those elections are out of the way. So I think that the respect agenda is intact.

My hon. Friend the Member for Corby (Ms Bagshawe) picked up well on the contradictory nature of the debate coming from those on the Benches opposite: an argument was being put that the AV referendum would drown out the debate on national issues, yet simultaneously another argument was being made that the national issues would mean that the referendum debate would not get a proper hearing. She correctly spotted that, and I do not think that the point was adequately answered. I am happy to give way to the hon. Member for South Antrim (Dr McCrea) if he still wishes to intervene.

Dr McCrea: If the counting for the Assembly elections is resolved, we still have to address the counting of the council elections. Is that to wait until after the counting of the referendum? Where do we come in, because we already have two elections set for the same day?

Mr Harper: The Government's position is very clear: there is an imperative to get the results of the elections to Parliament, the Assemblies and local councils decided first, because it is important who runs those organisations. The result of the referendum is important, but given that any change will not come in until the next election, the counting of the referendum will take place after the other counts. The Government have made that position clear and it is shared by the Electoral Commission. This might be a little frustrating for those who want the referendum result to be given as early as possible, but it is important that elections are counted first. That was the very clear sense that emerged from the previous Parliament when we debated when the general election count should take place. Results of elections need to be heard first.

My hon. Friend the Member for Harwich and North Essex (Mr Jenkin), who is in his place, referred to the Government's view of the referendum outcome and gave all sorts of thoughts as to how we had arrived at the date. Of course the Government are neutral about the outcome of the referendum. The two coalition parties are not, but the Government do not have a view. When the Deputy Prime Minister and I were considering the Bill and its details that was the view that we jointly took.

I also do not take my hon. Friend's view, which we debated a little following his intervention, about treating votes differently. I do not buy the argument that, because some parts of the United Kingdom are voting and some are not, that in some sense treats voters differently. Even voters in the parts of England that do not have other elections next year are perfectly capable of listening to the arguments. They have the same ability to go out to vote as anybody else, and I do not understand this argument about differential turnout that he and other hon. Friends raised.

Mr Jenkin: The Minister is dealing with the House with his customary courtesy. I quoted a leading academic on the subject of referendums, and he could not think of any previous referendum in any other democratic country that was held concurrently with other polls in some parts of the country, while in other parts of the country there were no other elections. Which example are we following? Which example is the Electoral Commission drawing on in support of the idea of concurrent elections? Can he give a single example from anywhere in the world where a referendum has been held at a time when there are elections in some parts of the country but not in others?

Mr Harper: Off the top of my head, no, I cannot, but I do not see that that point is at all valid. I do not see that there is any problem with voters being able to make the decisions sensibly. My hon. Friend underrates those

[Mr Harper]

whom we ask to vote for us. His point is partly answered if we consider this year's general election. There was a combination of a general election and local elections in some parts of the United Kingdom, but not everywhere. Some voters voted in more than one election, and some did not. I do not think that that had an impact on the results of either the local elections or the general election. If Members think that the situation meant that the results were illegitimate, that rather impacts on the results of those of us who are Members of this House.

Dr Julian Lewis: Is my hon. Friend seriously suggesting that there will be no difference in turnout in different parts of the country, when there are Scottish Parliament, Welsh Assembly and other comparable elections going on in some parts, local elections of some form going on in others, and no elections going on at all in others? The fact is that some people will vote in the referendum if they are at the poll, but might not have gone to the poll if it were not for those other elections. We need a level playing field to get a representative result.

Mr Harper: I simply do not accept my hon. Friend's argument. If we look at the general election this year and turnouts across the country, we see that there were some constituencies where the turnout percentage was in the 70s or perhaps even in the 80s, and constituencies where it was in the 50s. Every voter had the same opportunity to vote, but turnout across the country varied. That will inevitably be the case in the referendum, and I do not think that there is anything sinister in that at all.

One of the issues raised by the hon. Member for Dunfermline and West Fife (Thomas Docherty), which I am glad to be able to address—that is why I did not want to keep taking interventions from him—was about the mechanics of how the elections were to be run. In evidence to the Scottish Affairs Committee, Tom Aitchison, the convener of the Interim Electoral Management Board for Scotland—one of the people who runs the elections—made it clear that the electoral professionals represented by his board would work to ensure that the poll was conducted in accordance with whatever the House decides. He asked that the referendum in Scotland

"be conducted on Scottish Parliamentary Boundaries"

to make sure that there was

"an efficient, clear and cost effective process",

and said that

"the relevant Order should be amended to allow the Scottish Parliamentary elections to be formally combined with the referendum."

He added:

"It is our current understanding that both of these proposals have been adopted".

He is quite right, and we have listened. On 25 October, when we debate how the elections will be combined, it will be clear that we have looked at the administrative challenges and sought to make sure that the combined elections on 5 May can be conducted in the most sensible way possible.

Thomas Docherty *rose*

Mr Harper: I am just about to deal with the hon. Gentleman's second point, which was about the cost of the count. It is perfectly clear—we acknowledge it—that some aspects of combination will require more resources than a stand-alone poll would, but that will be very much outweighed by the significant savings made by hiring polling stations and staff for one day rather than two. He is perfectly right that there are some increases in cost as a result of combining, but the overall saving is quite significant. It is about £30 million, which will be shared between the UK budget and the budgets of the devolved Administrations.

Thomas Docherty: In July, my right hon. Friend the Member for Blackburn (Mr Straw) and I tabled questions about what estimate the Government had or had not made of the costs to local authorities, and the Scottish, Welsh and Northern Irish Governments. The answers that we got back eventually were that the Government had made no estimate at all. Is the Minister now telling us that he has made estimates of the additional costs, and if so, what are they?

Mr Harper: The overall cost saving from combining the polls is £30 million. That is our best estimate looking at the details of running those elections across the country. It is a pretty good estimate and the one that we stick by, and the saving is significant. It is not the reason for combining the elections, but there is a significant benefit in doing so.

9.30 pm

I welcome the shadow Justice Secretary to his position and look forward to working with him, perhaps not on this issue, but on our programme of political reform. He drew attention to the fact that my right hon. Friend the Deputy Prime Minister was not here, although he acknowledged that my right hon. Friend had many other things to work on. All that I would say is that, as well as being responsible for political and constitutional reform, my right hon. Friend is working in the national interest with my right hon. Friend the Prime Minister and shares responsibility across the whole of government. One of the important things that he has been working on in the past few months, and I am sure has been working on for some part of today, is the appalling financial legacy left by the right hon. Gentleman and his Government—the right hon. Gentleman shares some of the blame, having been a member of the previous Government. We have still heard no apology for that legacy. So that is where my right hon. Friend the Deputy Prime Minister has been. We work as a team, and are perfectly capable of doing so.

The shadow Justice Secretary said that we were rushing the legislation. The Constitutional Reform and Governance Act 2010, which he supported, had only one day of debate on the clauses relating to the alternative vote. The Constitutional Reform Act 2005–a larger Bill than this one—had only three days for Committee, Report and Third Reading. So in providing five days in Committee and two days on Report, we have provided a significant amount of time.

The hon. Member for Rhondda (Chris Bryant) said in one of his interventions that his constituents did not want any fiddling about with the constitution. He had clearly forgotten that the proposal for an AV referendum was in his own party's manifesto and that he supported it in the previous legislation before the election.

I shall deal with one or two points that we have not covered, conscious that the Committee probably does not want me to do so at great length. I am grateful for the kind words of my hon. Friend the Member for New Forest East (Dr Lewis). I was disappointed that he was not at the time he made his speech planning to support the Government, but I hope that he may have reconsidered. I am happy to be on what he described as a sticky wicket. I want to correct one point. The coalition agreement to have a referendum was not a deal done behind closed doors. My right hon. Friend the Prime Minister, when he was leader of the Opposition, came and put that point to members of the parliamentary party, as my hon. Friend will remember, before the agreement was reached with the Liberal Democrats.

Dr Julian Lewis: Will my hon. Friend give way?

Mr Harper: If my hon. Friend will forgive me, I want to make some progress.

Dr Lewis: Very wise.

Mr Harper: The Chairman of the Scottish Affairs Committee made a number of points. I think that I dealt with some of them in interventions. My hon. Friend the Member for Grantham and Stamford made a speech with good humour. I think he was underplaying his reputation when he said that 90% of constituents did not know who he was. I am sure that if that was true and if more of them knew who he was, he would get an even more impressive result.

The hon. Member for Belfast East (Naomi Long) and the right hon. Member for Belfast North (Mr Dodds) made some serious points about the operational issues in Northern Ireland. The franchise for Northern Ireland Assembly elections and for local elections is the same. The referendum would be conducted on the Westminster franchise. So there would be two franchises operating, but that would be the same position as when local elections are combined with a general election.

As for the ID requirements, the legislation will provide that the requirements for the referendum and the Assembly elections will be the same. I understand that my right hon. Friend the Secretary of State intends that the inconsistencies between ID requirements for voters in the Assembly and local elections will be dealt with before the polls next year.

The final point that I want to make, I am sure hon. Members will be pleased to know, is in response to my hon. Friend the Member for Ceredigion (Mr Williams), who talked about consultation. On Second Reading my right hon. Friend the Deputy Prime Minister said that we had not introduced the provisions on combination in the Bill because we wanted to take the time through the summer to work with the Electoral Commission, others in government in the territorial offices and with electoral administrators across the United Kingdom. I have written today to members of the Select Committee on Political and Constitutional Reform, Opposition spokesmen and others with an interest in the Bill, including Members who spoke on Second Reading or who have tabled amendments, and leaders of parties represented in the devolved Parliament and Assemblies, to set out when we propose to table those amendments and debate them in the House, and to give them an idea of some of the provisions. I hope that that is helpful indeed, it was intended to be so. In conclusion, I urge right hon. and hon. Members to resist any amendments that are pressed to a Division, and I urge hon. Members thinking of pressing their amendments not to do so.

Mr MacNeil: To recap the debate, the hon. Member for Harwich and North Essex (Mr Jenkin) made a very good speech majoring on fairness. He mentioned missing the bus, and it seems to me that the Deputy Prime Minister missed the bus on fairness with his differential treatment of voters. The hon. Gentleman's amendment cites six months; I cite 18 months as a maximum. The point of agreement is that the date must be changed to prevent the differential treatment of voters. He also made a good point about the BBC. Not understanding the voters has been a problem with the media, and with media management and presentation. Only 3% of the BBC output comes from Scotland, Wales and Northern Ireland, which constitute 17% of the UK population.

The right hon. Member for Tooting (Sadiq Khan), an apostle of AV, naturally supports AV, but he does not support the date. I look forward to seeing him in the Lobby, and I am sure that narrow party political considerations will not prevent him from voting. The hon. Member for Gainsborough (Mr Leigh), a fair and progressive person if ever there were one, made a good speech. His arguments were on the issues, not on side calculations for party political gain. The hon. Member for Dunfermline and West Fife (Thomas Docherty) repeated the point that the devolved Governments were not consulted and that there will be differential treatment across the UK. He argued that the referendum should be held in September—I am not against that at all; the point of agreement is that there should be a different date from 5 May.

The hon. Member for Epping Forest (Mrs Laing) made some excellent arguments. What can I say about her Gaelic pronunciation, other than that I expect to see her at the Mòd in Thurso by the end of the week, doubtless singing a Gaelic song? For Members who do not know what the Mòd is, it shows that we are more than two nations in one state. The hon. Lady said that she might need to examine her conscience. I would be more than happy to help her do so in the Lobby very shortly.

The hon. Member for Belfast East (Naomi Long) illustrated our veritable rainbow coalition against 5 May. She made practical points about congestion on election day at polling stations, which were underlined by the right hon. Member for Lagan Valley (Mr Donaldson) and by the hon. Member for Strangford (Jim Shannon). The hon. Member for Belfast East made a cracking, quick-fire factual speech, and she also hit on the difficulties with the media and with Royal Mail. I only wish she had spoken to the absent Deputy Prime Minister before he landed the hon. Member for Epping Forest in it. *[Interruption.]* She wrote to him, she says from a sedentary position. She also mentioned the opportunity for cross-party co-operation that has been lost in the north of Ireland. I imagine that outside Scotland cross-party co-operation is more needed, including in Northern Ireland.

I am sure that the fire in the hon. Lady's belly had nothing to do with the fact that the Faroe Islands have drawn with Northern Ireland. Perhaps this is a good point at which to mention that I am chairman of the

[Mr MacNeil]

all-party Faroe Islands group, which will hold a meeting before the end of the month—everyone is welcome. *[Interruption.]* I hope there will not be a differential turnout. Despite the Faroe result, Scotland are drawing 2-2 with Spain at the moment. *[Interruption.]* Not very united at the moment, eh?

The hon. Member for New Forest East (Dr Lewis) called for a level playing field, and he highlighted the difference between an election for a national Parliament, one for local councils, and no elections at all in the UK. He discussed his relationship with the leader of the Liberal Democrat party. The rest of us are not sure of any relationship at all, and might not even be able to pick him out in an identity parade. *[Interruption.]* The hon. Member for South Antrim (Dr McCrea), a renowned political tipster if ever there was, says that the hon. Gentleman is at the zenith of his political career—I am not sure what he means.

The hon. Member for Glasgow South West (Mr Davidson) told us of the reservations of Members of the Scottish Parliament: 5 May was on their timetable first, but it was ignored. My amendment allows 546 other days at least; of course there will be some days that we will wish to subtract. He supported an AV referendum, but he did not want it to be a democratic spoiler for Holyrood. He said that this was a deal between the Liberal Democrats and the Tories in support of Tory cuts. I put it to him that he prefers Tory cuts to independence for Scotland.

Eventually, after three hours we had someone supporting the Government. The hon. Member for Grantham and Stamford (Nick Boles) spoke about jobs, and I can relate again that the hon. Member for South Antrim was tipping him for promotion. I was expecting a *Spectator* award for him later in the year, but unfortunately he just kept talking and that seemed to slip from his grasp. He was given a good jolt of reality by the hon. Member for Broxbourne (Mr Walker).

The right hon. Member for Belfast North (Mr Dodds) highlighted the fact that the majority of the speakers came from the devolved nations and regions of the UK. The hon. Member for Ceredigion (Mr Williams) conceded that the referendum was not ideal, but it was what was on offer. I would ask him to stick to his principles. But to be fair to him, he was one of the few Lib Dems on the big Lib Dem issue in the Chamber. I was counting, and only 3% of the Lib Dem party turned up for the main part of the debate on their big, big issue.

The hon. Member for Foyle (Mark Durkan) talked of the premature calculation of a political novice, namely the Deputy Prime Minister. He said that the Deputy Prime Minister was in thrall to 5 May. He pointed out that the public can cope with different elections on the same day, but it is the media, the political system and even the Electoral Commission that struggle. He worried about the Tories turning up in Northern Ireland. In Scotland, they are like the corncrake, almost a protected species.

In a great contribution, my hon. Friend the Member for Arfon (Hywel Williams) said that there were many reasons against 5 May, and that is what the Chamber heard tonight. There are many reasons against 5 May, and there is nothing for 5 May other than a tawdry deal between the governing parties. The hon. Member for Blackley and Broughton (Graham Stringer) brought humour to the debate and illuminated internal Labour party thinking: vote for a referendum because the Lords will overturn it. He is supporting a change from 5 May, and I will welcome that.

The respect agenda should be alive and if it was, 5 May would not be happening. The Minister is a reasonable man and he batted heroically on a very sticky wicket. He personifies in the Chamber the maxim that one can disagree with a person's argument but still respect the person. This is not a veto. This is only on one issue. One must have respect for the other legislatures in the UK and they themselves will be consulted on this one issue once. If one opposes this it makes the assumption that the Members of the Scottish Parliament, the Welsh Assembly and the Northern Irish Assembly are unreasonable people.

I should not have to press the amendment to a vote. The Government should accept the arguments of all parties on both sides about the differential treatment of electors and the unfairness of this in the UK, but unfortunately I will have to do so.

Question put, That the amendment be made.

The Committee divided: Ayes 28, Noes 323.

Division No. 66] **[9.43 pm**

AYES

Bone, Mr Peter
Campbell, Mr Gregory
Chope, Mr Christopher
Davies, Philip
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Durkan, Mark
Hollobone, Mr Philip
Hosie, Stewart
Jenkin, Mr Bernard
Lewis, Dr Julian
Llwyd, Mr Elfyn
Long, Naomi
Lucas, Caroline
MacNeil, Mr Angus Brendan
McCrea, Dr William
McDonnell, Dr Alasdair
Owen, Albert
Reckless, Mark
Redwood, rh Mr John
Ritchie, Ms Margaret
Robertson, Angus
Shannon, Jim
Shepherd, Mr Richard
Simpson, David
Skinner, Mr Dennis
Weir, Mr Mike
Whiteford, Dr Eilidh

Tellers for the Ayes:
Hywel Williams and Pete Wishart

NOES

Adams, Nigel
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul

Burt, Alistair
Burt, Lorely
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Stephen Crabb and James Duddridge

Question accordingly negatived.

Amendment proposed: 4, page 1, line 6, leave out 'must be held on 5 May 2011' and insert

'(None) 'shall be held on a date specified in an order made by the Minister, provided that such date

(a) shall not coincide with any poll or polls held for any parliamentary assembly or regularly held local government election; and

(b) shall be at least six months after the commencement of the referendum period (as specified in Schedule 1).'.—*(Mr Jenkin.)*

Question put, That the amendment be made.

The Committee divided: Ayes 264, Noes 326.

Division No. 67] **[9.57 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bone, Mr Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Cash, Mr William
Caton, Martin
Chapman, Mrs Jenny
Chope, Mr Christopher
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
Davis, rh Mr David
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Laing, Mrs Eleanor
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lewis, Dr Julian
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, Dr Alasdair
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme
Morris, Grahame M.
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reckless, Mark
Redwood, rh Mr John
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela *(Penistone and Stocksbridge)*
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel

Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Stephen Pound and
Mr Bernard Jenkin

NOES

Adams, Nigel
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, rh Mr Frank
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry

Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
James Duddridge and Mark Hunter

Question accordingly negatived.

Caroline Lucas (Brighton, Pavilion) (Green): I beg to move amendment 7, page 1, leave out from line 7 to end of line 4 on page 2 and insert—

'(3) The questions that are to appear on the ballot paper are—

"(1) Do you want to change the current "first past the post" system for electing Members of Parliament to the House of Commons?

(2) If there were a change, list your order of preference, 1, 2, 3, for the United Kingdom to adopt:

(a) The 'alternative vote' system,

(b) The 'additional member' system, or

(c) The 'single transferable vote' system with multi-member constituencies?".

(4) In Wales, a Welsh version of the question is also to appear on the ballot papers.

(5) The voting for the second question in the referendum shall be in accordance with section (*Counting of votes on second question of referendum*).'.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): With this it will be convenient to discuss the following:

Government amendment 230.

Amendment 140, page 1, leave out lines 8 to 11 and insert—

'Rank your preference for the system for electing members to the House of Commons (a) Alternative Vote (b) First Past The Post (c) The Single Transferable Vote.'.

Amendment 204, page 1, line 9, after '*vote*', insert '*plus*'.

Government amendment 231.

Amendment 141, page 2, line leave out lines 1 to 4 and insert—

'Graddiwch pa gyfundrefn o ethol aelodau i Ty'r Cyffredin sydd well gennych chi. (a) Pleidlais Amgen (b) Cyntaf i'r Felin (c) Pleidlais Sengl Drosglwyddadwy'.

Amendment 205, page 2, line 2, after '*amgen*', insert '*plws*'.

Amendment 142, page 2, line 4, at end insert—

'(4) In Scotland, the following Gaelic version of the question is also on ballot papers—

Rangaich do roghainn a thaobh an t-siostaim taghaidh buill gu Taigh nan Cumantan? (a) Bhòt Eadar-roghnach (b) A'Chiad Bhuannaiche (c) Bhòt Mhalairteach Shingilte.'.

Amendment 14, in schedule 1, page 15, line 30 leave out

'in favour of each answer to the question'

and insert

'in answer to the questions'.

Amendment 15, page 19, line 24, leave out 'question' and insert 'questions'.

Amendment 16, in schedule 2, page 26, line 39, leave out 'question' and insert 'questions'.

Amendment 17, line 17, leave out 'answer' and insert 'answers'.

Amendment 18, page 32, line 16, after 'only', insert

'in relation to each question'.

Amendment 19, page 47, line 22, leave out 'to the referendum question' and insert

'either or both of the referendum questions'.

Amendment 143, page 54, leave out lines 7 to 16 and insert

'In England the ballot shall be as follows:

Front of ballot paper

Rank your preference for the system for electing members to the House of Commons

Please rank in order of preference (1,2,3)

You must mark at least one number on the ballot

Alternative Vote	
First Past the Post	
Single Transferable Vote	

In Wales, the ballot paper shall be as follows:

Front of ballot paper

Graddiwch pa gyfundrefn o ethol aelodau i Ty'r Cyffredin sydd well gennych chi

Rhowch pa gynfundrefn sydd well gennych chi yn ôl trefn blaenoriaeth (1,2,3)

Rhaid i chi farcio o leiaf un rhif ar y papur pleidleisio.

Rank your preference for the system for electing members to the House of Commons

Please Rank in order of preference (1,2,3)

You must mark at least one number on the ballot.

Pleidlais Amgen/ Alternative Vote	
Cyntaf i'r Felin/ First Past the Post	
Pleidlais Sengl Drosglwyddadwy/ Single Transferable Vote	

In Scotland, the ballot paper shall be as follows:

Front of ballot paper

Rangaich do roghainn a thaobh an t-siostaim taghaidh buill gu Taigh nan Cumantan

Rangaich iad a rèir do roghainn (1,2,3)

Feumaidh tu co-dhiù aon àireamh a chomharrachadh sa bhaileat.

Rank your preference for the system for electing members to the House of Commons

Please Rank in order of preference (1,2,3)

You must mark at least one number on the ballot.

Bhòt Eadar-rognach/ Alternative Vote	
A'Chiad Bhuannaiche/ First Past the Post	
Bhòt Mhalairteach Shinglite/ Single Transferable Vote	

Amendment 20, page 54, leave out lines 9 to 16 and insert—

Vote (X) once for question 1		
1. Do you want to change the current "first past the post" system for electing Members of Parliament to the House of Commons	Yes	
	No	
Then list your preference for what new system might be adopted by numbering 1, 2, 3 for question 2		
2. If there was a change do you want the United Kingdom to adopt:		
(a) The "alternative vote" system or		
(b) The "additional member system" or		
(c) The "single transferable vote" system with three member constituencies?'.		

Government amendment 232.

Amendment 223, page 54, line 12, after 'vote', insert 'plus'.

Amendment 21, page 55, leave out line 3.

Amendment 22, page 55, line 4, leave out 'question' and insert 'questions'.

Amendment 23, page 55, line 5, leave out 'question' and insert' questions'.

Amendment 24, page 55, leave out line 20.

Amendment 25, page 55, line 25, leave out 'question' and insert 'questions'.

Amendment 26, page 55, line 26, leave out 'question' and insert 'questions'.

Amendment 27, page 55, line 27, leave out 'question' and insert 'questions'.

Amendment 28, page 55, line 32, leave out 'question' and insert 'questions'.

Amendment 46, page 57, line 15,after 'only', insert

'in relation to question 1, and indicate your preferences in relation to question 2'.

Amendment 47, page 57, line 18, leave out 'you are voting for' and insert

'to question 1 you are voting for, and indicate your preferences in relation to question 2'.

Amendment 48, page 58, line 32, after 'only' insert

'in relation to question 1, and indicate your preferences in relation to question 2'.

Amendment 49, page 59, line 2, leave out 'you are voting for' and insert

'to question 1 you are voting for, and indicate your preferences in relation to question 2'.

Amendment 50, page 60, line 6, leave out 'you are voting for' and insert

'to question 1 you are voting for, and indicate your preferences in relation to question 2'.

Amendment 51, page 60, line 7 after 'only' insert

'in relation to question 1, and indicate your preferences in relation to question 2'.

Amendment 52, page 63, line 15, leave out 'you are voting for' and insert

'to question 1 you are voting for, and indicate your preferences in relation to question 2'.

Amendment 53, page 63, line 17, after 'only', insert

'in relation to question 1, and indicate your preferences in relation to question 2'.

Amendment 54, page 67, line 5, leave out 'you are voting for' and insert

'to question 1 you are voting for, and indicate your preferences in relation to question 2'.

Amendment 55, page 67, line 9, after 'only', insert

'in relation to question 1, and indicate your preferences in relation to question 2'.

Amendment 56, page 73, line 5, leave out 'you are voting for' and insert

'to question 1 you are voting for, and indicate your preferences in relation to question 2'.

Amendment 57, page 73, line 7, after 'only' insert

'in relation to question 1, and indicate your preferences in relation to question 2'.

Amendment 144, in clause 6, page 4, leave out lines 27 and 28 and insert—

'(a) the answer "alternative vote" is selected in the referendum, and'.

Amendment 8, page 4, line 28, after '"No"', insert

'to Question 1, and the alternative vote system is selected in response to question 2 in the referendum'.

Amendment 9, page 4, line 32, at end insert—

'(1A) The Minister must make an order bringing into force section (*The single transferable vote system: amendments*) if

(a) the single transferable vote system is selected in response to question 2 of the referendum, and

(b) the draft of an Order in Council laid before Parliament under subsection (5A) of section 3 of the Parliamentary Constituencies Act 1986 (substituted by section 8(6) below) which provides for multi-member constituencies, in accordance with subsection (4) of section 3 of that Act as amended by section 8(5A) below, has been submitted to Her Majesty in Council under section 4 of that Act.

(1B) The Minister must make an order bringing into force section (*The additional member system: amendments*) if

(a) the single transferable vote system is selected in response to question 2 of the referendum, and

(b) the draft of an Order in Council laid before Parliament under subsection (5A) of section 3 of the Parliamentary Constituencies Act 1986 (substituted by section 8(6) below) which provides for the additional member system, in accordance with subsection (4) of section 3 of that Act as amended by section 8(5A) below, has been submitted to Her Majesty in Council under section 4 of that Act.'.

Amendment 145, page 4, line 33, leave out from 'if' to second 'the' in line 34 and insert

'the answer "alternative vote" is not selected in the referendum'.

Amendment 10, page 4, line 34, leave out from '"No"' to end and insert

'to Question 1, the Minister must make an order repealing the alternative vote provisions and section (*The single transferable vote system: amendments*) and section (*The additional member system: amendments*).'.

Amendment 11, page 4, line 39, leave out 'subsection (1)' and insert 'subsections (1), (1A) or (1B)'.

Amendment 206, in clause 7, page 5, leave out lines 2 to 11 and insert—

'How constituency votes are to be given

37A (1) A voter votes by marking a constituency ballot paper and a top-up ballot paper.

(2) A voter marks the constituency ballot paper with—

(a) the number 1 opposite the name of the candidate who is the voter's first preference (or, as the case may be, the only candidate for whom the voter wishes to vote),

(b) if the voter wishes, the number 2 opposite the name of the candidate who is the voter's second preference,

and so on.

(3) The voter may mark as many preferences (up to the number of candidates) as the voter wishes.

(4) A voter marks the top-up ballot paper with a mark opposite a single political party list of candidates.'.

Amendment 207, page 5, line 13, after '*How*', insert '*constituency*'.

Amendment 208, page 5, line 16, leave out

'ballot papers and so to determine which candidate is elected'

and insert

'constituency ballot papers and so determine which constituency candidate is elected, and how top-up votes are to be counted and so determine the allocation of top-up seats to political parties.'.

Amendment 209, page 5, line 34, at end insert—

'(5A) Top-up ballots shall be counted simultaneously'.

Amendment 210, page 5, line 36, after 'no', insert 'constituency'.

Amendment 211, page 5, line 40, after 'each', insert 'constituency'.

Amendment 212, page 5, line 42, after 'which', insert 'constituency'.

Amendment 213, page 5, line 43, after 'rejected', insert 'constituency'.

Amendment 214, page 6, line 5, after 'each', insert 'constituency'.

Amendment 215, page 6, line 7, after 'which', insert 'constituency'.

Amendment 216, page 6, line 8, after 'the', insert 'constituency'.

Amendment 217, page 6, line 9, at end insert—

'(2A) After rule 50 in that Schedule there is inserted—

"50A(1) The returning officer shall give public notice of the total number of votes given for each political party together with the number of rejected ballot papers under each head shown in the statement of rejected ballot papers and return this information to the Clerk of the Crown.

(2) The Clerk of the Crown shall determine the allocation of top-up seats in England, Scotland, Wales and Northern Ireland, by applying the D'Hondt formula to the total aggregated top-up votes in each of the four parts of the United Kingdom, as declared by each and every returning officer in that part."'.

Amendment 221, in schedule 6, page 144, line 29, at beginning insert—

'Constituency ballot'.

Amendment 222, page 144, line 39, at end insert—

'Top-Up ballot

Vote for one political party only. Put no other mark on the ballot paper, or your vote may note be counted'.

Amendment 12, in clause 8, page 7, line 9, at end insert—

'(5A) In subsection (4) the words are inserted at the end—

"and each such report shall also provide for multi-member constituencies of three members, stating the name by which they recommend that each such area should be known, and for the additional member system as provided for in the Scotland Act 1998, as close as possible to 57 per cent. to be allocated for constituency representatives and the remaining seats to be allocated for closed party lists."'.

Amendment 13, in clause 16, page 13, line 3, at end insert—

'(1A) Section (*The single transferable vote system: amendments*) comes into force in accordance with provision made by an order under section 6(1A).'.

New clause 3—*The single transferable vote system: amendments*—

'(1) Within one month of the coming into force of this section, the Minister must lay before Parliament a draft of an order amending the parliamentary elections rules as set out in Schedule 1 to the 1983 Act so as to provide for a system of a single transferable vote in multi-member constituencies.

(2) An order under subsection (1) above may make any amendments to primary or secondary legislation necessary to give effect to the use of the single transferable vote in the United Kingdom parliamentary elections.

(3) An order under subsection (1) may not be made unless a draft of the order has been laid before, and approved by a resolution of, each House of Parliament.'.

New clause 4—*The additional member system: amendments*—

'(1) Within one month of the coming into force of this section, the Minister must lay before Parliament a draft of an order amending the parliamentary elections rules as set out in Schedule 1 to the 1983 Act so as to provide for an additional member system.

(2) An order under subsection (1) above may make any amendments to primary or secondary legislation necessary to give effect to the use of the additional member system in United Kingdom parliamentary elections.

(3) An order under subsection (1) may not be made unless a draft of the order has been laid before, and approved by a resolution of, each House of Parliament.'.

New clause 5—*Counting of votes on second question of referendum*—

'(1) A voter votes by marking the ballot paper with—

(a) the number 1 opposite the name of the option that is the voter's first preference (or, as the case may be, the only option for whom the voter wishes to vote),

(b) if the voter wishes, the number 2 opposite the name of the option that is the voter's second preference, and so on.

(2) The voter may mark as many preferences (up to the number of options) as the voter wishes.

(3) Votes shall be allocated to options in accordance with voters' first preferences and, if one option has more votes than the other options put together, that option is selected.

(4) If not, the options with the fewest votes is eliminated and that option's votes shall be dealt with as follows—

(a) each vote cast by a voter who also ranked one or more of the remaining options shall be reallocated to that remaining option or (as the case may be) to the one that the voter ranked highest;

(b) any votes not reallocated shall play no further part in the counting.

(5) If after that stage of counting one option has more votes than the other remaining options put together, that option is selected.

(6) If not, the process mentioned in subsection (4) above shall be repeated as many times as necessary until one option has more votes than the other remaining options put together, and so is selected.

(7) If no option is selected at the first stage of counting, the returning officer shall, immediately after that stage, record and make publicly available the following information—

(a) the number of first-preference votes obtained by each option;

(b) which option was eliminated;

(c) the number of rejected ballot papers.

(8) Immediately after each subsequent stage of counting, except the final stage, the returning officer shall record and make publicly available the following information—

(a) the number of votes obtained by each option at that stage;

(b) which option was eliminated at that stage;

(c) the number of votes for the option eliminated at the previous stage that were not reallocated.'.

New clause 14—*Counting of votes in the referendum*—

'(1) A voter votes by marking the ballot paper with—

(a) the number 1 opposite the name of the option that is the voter's first preference (or, as the case may be, the only option for whom the voter wishes to vote),

(b) if the voter wishes, the number 2 opposite the name of the option that is the voter's second preference, and so on.

(2) The voter may mark as many preferences (up to the number of options) as the voter wishes.

(3) This rule sets out how votes are to be counted, in one or more stages of counting, in order to give effect to the preferences marked by voters on their ballot papers and so to determine which options are selected.

(4) Votes shall be allocated to options in accordance with voters' first preferences and, if one option has more votes that the other options put together, that option is selected.

(5) If not, the options with the fewest votes are eliminated and that option's votes shall be dealt with as follows—

(a) each vote cast by a voter who also ranked one or more of the remaining options shall be reallocated to that remaining option or (as the case may be) to the one that the voter ranked highest;

(b) any votes not reallocated shall play no further part in the counting.

(6) If no option is selected at the first stage of counting, the returning officer shall, immediately after that stage, record and make publicly available the following information—

(a) the number of first-preference votes obtained by each option;

(b) which option was eliminated;

(c) the number of rejected ballot papers.'.

New clause 15—*Commencement or repeal of amending provisions: Single transferable vote*—

'(1) The Minister must make an order bringing into force section (Single transferable vote system: amendments), Schedule (Single transferable vote system: further amendments) and Part 1 of Schedule 7 (Single transferable vote provisions) if—

(a) the answer "Single Transferable Vote" is selected in the referendum, and

(b) the draft of an Order in Council laid before Parliament under subsection (5A) of section 3 of the Parliamentary Constituencies Act 1986 (substituted by section 8(6) (below) has been submitted to Her Majesty in Council under section 4 of that Act.

(2) If the answer "Single Transferable Vote" is not selected, the Minister must make an order repealing the single transferable vote provisions.

(3) An order under subsection (1) must bring the single transferable vote provisions into force on the same day as the coming into force of the Order in Council in terms of the draft referred to in paragraph (b) of that subsection.

(4) An order under subsection (1) may make transitional or saving provision.'.

New clause 16—*Single transferable vote system: amendments*—

'(1) In Schedule 1 to the 1983 Act (Parliamentary elections rules), after rule 37 there is inserted—

"How votes are to be given

37A(1) A voter votes by marking the ballot paper with—

(a) the number 1 opposite the name of the candidate who is the voter's first preference (or, as the case may be, the only candidate for whom the voter wishes to vote),

(b) if the voter wishes, the number 2 opposite the name of the candidate who is the voter's second preference,

and so on.

(2) The voter may mark as many preferences (up to the number of candidates) as the voter wishes.".

(2) After rule 45 in that Schedule there is to be inserted—

"How votes are to be counted

45A(1) This rule sets out how votes are to be counted, in one or more stages of counting, in order to give effect to the preferences marked by voters on their ballot papers and so to determine which candidate is elected.

First stage

45B(1)The returning officer shall sort the valid ballot papers into parcels according to the candidates for whom first preference votes are given.

(2) The returning officer shall then—

(a) count the number of ballot papers in each parcel;

(b) credit the candidate receiving the first preference vote with one vote for each ballot paper; and

(c) record those numbers.

(3) The returning officer shall also ascertain and record the total number of valid ballot papers.

The quota

45C(1)The returning officer shall divide the total number of valid ballot papers for the constituency by a number exceeding by one the number of members to be elected at the election for that constituency.

(2) The result of the division under paragraph (1) (Ignoring any decimal places), increased by one, is the number of votes needed to secure the return of a candidate as a member (in this Schedule referred to as the 'quota').

Return of members of House of Commons

45D(1)Where, at any stage of the count, the number of votes for a candidate equals or exceeds the quota, the candidate is deemed to be elected.

(2) A candidate is returned as a member of the House of Commons when declared to be elected in accordance with paragraph 8(1).

Transfer of ballot papers

45E(1)Where, at the end of any stage of the count, the number of votes credited to any candidate exceeds the quota and, subject to paragraphs 5 and 8, one or more vacancies remain to be filled, the returning officer shall sort the ballot papers received by that candidate into further parcels so that they are grouped—

(a) according to the next available preference given on those papers; and

(b) where no such preference is given, as a parcel of non-transferable papers.

(2) The returning officer shall, in accordance with this paragraph and paragraph 5, transfer each parcel of ballot papers referred to in sub-paragraph (1)(a) to the continuing candidate for whom the next available preference is given on those papers and shall credit such continuing candidates with an additional number of votes calculated in accordance with sub-paragraph (3).

(3) The vote on each ballot paper is transferred under sub-paragraph (2) shall have a value ("the transfer value") calculated as follows—

$$\frac{A}{B}$$

where:

A = the value which is calculated by multiplying the surplus of the transferring candidate by the value of the ballot paper when received by that candidate; and

B = the total number of votes credited to that candidate, the calculation being made to five decimal places (any remainder being ignored).

(4) For the purposes of sub-paragraph (3)—

"transferring candidate" means the candidate from whom the ballot paper is being transferred; and

"the value of the ballot paper" means—

(e) for a ballot paper on which a first preference vote is given for the transferring candidate, one; and

(f) in all other cases, the transfer value of the ballot paper when received by the transferring candidate.

Transfer of ballot papers: supplementary provisions

45F(1) If, at the end of any stage of the count, the number of votes credited to two or more candidates exceeds the quota the returning officer shall—

(a) first sort the ballot papers of the candidate with the highest surplus; and

(b) then transfer the transferable papers of that candidate.

(2) If the surpluses determined in respect of two or more candidates are equal, the transferable papers of the candidate who had the highest number of votes at the end of the most recent preceding stage at which they had unequal numbers of votes shall be transferred first.

(3) If the numbers of votes credited to two or more candidates were equal at all stages of the count, the returning officer shall decide, by lot, which candidate's transferable papers are to be transferred first.

Exclusion of candidates

45G(1) If one or more vacancies remain to be filled and—

(a) the returning officer has transferred all ballot papers which are required by paragraph 5 or this paragraph to be transferred; or

(b) there are no ballot papers to be transferred under paragraph 5 or this paragraph, the returning officer shall exclude from the election at that stage the candidate with the then lowest number of votes.

(2) The returning officer shall sort the ballot papers for the candidate excluded under sub-paragraph (1) of this paragraph into parcels so that they are grouped—

(a) according to the next available preference given on those papers; and

(b) where no such preference is given, as a parcel of non-transferable papers.

(3) The returning officer shall, in accordance with this article, transfer each parcel of ballot papers referred to in sub-paragraph (2)(a) to the continuing candidate for whom the next available preference is given on those papers and shall credit such continuing candidates with an additional number of votes calculated in accordance with sub-paragraph (4).

(4) The vote on each ballot paper transferred under sub-paragraph (3) shall have a transfer value of one unless the vote was transferred to the excluded candidate in which case it will have the same transfer value as when transferred to the candidate excluded under sub-paragraph (1).

(5) This paragraph is subject to paragraph 45H.

Exclusion of candidates: supplementary provisions

45H(1) If, when a candidate has to be excluded under paragraph 6—

(a) two or more candidates each have the same number of votes; and

(b) no other candidate has fewer votes, sub-paragraph (2) applies.

(2) Where this sub-paragraph applies—

(a) regard shall be had to the total number of votes credited to those candidates at the end of the most recently preceding stage of the count at which they had an unequal number of votes and the candidate with the lowest number of votes at that stage shall be excluded; and

(b) where the number of votes credited to those candidates was equal at all stages, the returning officer shall decide, by lot, which of those candidates is to be excluded.

Filling of last vacancies

45I(1)Where the number of continuing candidates is equal to the number of vacancies remaining unfilled, the continuing candidates are deemed to be elected.

(2) Where the last vacancies can be filled under this paragraph, no further transfer shall be made.

By-elections

45J(1) Where a vacancy occurs in any constituency, paragraphs (45A) to (45H) apply to the subsequent by-election.

(2) Where more than one vacancy exists in a constituency when a writ for a by-election in that constituency is moved, only one by-election is to be held for the vacant seats and this rule applies as if the number of members to be elected is the total number of seats vacant in that constituency."'.

New schedule 1—*The single transferable vote system: further amendments*—

PART 1

AMENDMENTS OF THE PARLIAMENTARY ELECTIONS RULES

1 Schedule 1 to the 1983 Act (parliamentary elections rules) is amended as follows.

2 For rule 18 (poll to be taken by ballot) there is substituted—

"18 The votes at the poll shall be given by ballot in accordance with rule 37A below, the result shall be ascertained in accordance with rule 45A below and the successful candidate shall be declared to have been elected.".

3 In rule 29 (equipment of polling stations), in paragraph (5), for the words after "the notice" there is substituted—

"Remember—use 1, 2, 3, etc... at this election—this is an election using the Single Transferrable Vote system.

Put the number 1 next to the name of the candidate who is your first choice (or your only choice, if you want to vote for only one candidate). You can also put the number 2 next to your second choice, 3 next to your third choice, and so on. You can mark as few or as many choices (up to the number of candidates) as you wish.

Do not use the same number more than once.

Put no other mark on the ballot paper, or your vote may not be counted.".

4 In rule 44 (attendance at counting of votes), in paragraph (5), for "the candidate for whom the vote is given" there is substituted "the candidates to whom votes are allocated under rule 45A below".

5 (1) In rule 46 (re-count), for paragraph (1) there is substituted—

"(1) At the time when any stage of the counting or re-counting of the votes is completed, a candidate or candidate's election agent who is then present may request the returning officer to have the votes re-counted or again re-counted in respect of any or all of the stages so far completed.

(1A) The returning officer may refuse to comply with a request under paragraph (1) above if in the officer's opinion it is unreasonable.".

(2) In paragraph (2) of that rule, after "on the completion of" there is inserted "any stage of".

(3) After that paragraph there is inserted—

"(3) At any time before the declaration of the result, the returning officer may, if the officer thinks fit, have the votes re-counted or again re-counted in respect of any or all of the stages.".

6 (1) In rule 47 (rejected ballot papers), in the heading there is inserted at the end "and invalid markings".

(2) In paragraph (1) of that rule—

(a) for sub-paragraph (b) there is substituted—

"(aa) on which the number 1 has not been marked against the name of any of the candidates, or

(b) on which the number 1 has been marked against the name of more than one candidate, or",

(b) in sub-paragraph (d), for "void for uncertainty" there is substituted "is marked in a way that does not indicate a clear choice as to the voter's first (or only) preference";

(c) for the words after that sub-paragraph there is substituted "shall, subject to the following provisions, be rejected as void and not counted at any stage.".

(3) For paragraph (2) of that rule there is substituted—

"(2) A ballot paper on which a number is marked elsewhere than in a proper place shall not be deemed to be void for that reason alone.

(2A) If a ballot paper is marked with the same number (other than the number 1) against the name of more than one candidate, that number (each time it appears) and any numbers after the repeated numbers shall be ignored for the purposes of rule 45A above.

(2B) If—

(a) one or more preferences are validly marked on a ballot paper, and

(b) other marks are made on the paper which do not indicate a clear intention as to the voter's next preference,

those other marks shall be ignored for the purposes of rule 45A above.

(2C) A ballot paper on which the voter makes any mark which—

(a) is clearly intended to indicate a particular preference for a particular candidate, but

(b) is not a number (or is a number written otherwise than as an Arabic numeral),

(2D) In paragraph (2C) above a reference to a mark includes a reference to more than one mark.

(2E) Paragraphs (2B) and 2(C) above apply only if the way the paper is marked does not itself identify the voter and it is not shown that the voter can be identified by it."

(4) After paragraph (3) of that rule there is inserted—

"(3A) Where—

(a) any mark on a ballot paper is ignored by reason of paragraph (2A) or (2B) above, and

(b) the vote in question is not reallocated in accordance with rule 45A above, but would have been if the mark had been treated as indicating a preference for a remaining candidate,

the returning officer shall endorse the ballot paper in question with the words "not reallocated" and an indication of the stage at which the mark was ignored.

(3B) Where the returning officer endorses a ballot paper as mentioned in paragraph (3A), the officer shall add to the endoresement the words "decision objected to" if an objection is made by a counting agent to the decision.".

(5) In paragraph (4) of that rule—

(a) for sub-paragraph (b) there is substituted—

"(aa) not marking the number 1 against the name of any of the candidates;

(b) marking the number 1 against the name of more than one candidate;";

(b) for sub-paragraph (d) there is substituted—

(d) unmarked or marked in a way that does not indicate a clear choice as to the voter's first (or only) preference.".

7 (1) For rule 49 (equality of votes), and the heading, there is substituted—

"Equality of votes: which candidate to be eliminated

49(1) This rule applies to determine which candidate is eliminated under rule 45A(3) above in a case where—

(a) there are two or more candidates with fewer votes than the others but an equal number to each other, or

(b) there are three or more candidates, or remaining candidates, and they all have an equal number of votes to each other.

The candidates with an equal nunber of votes to each other are referred to in this rule as "the tied candidates".

(2) The candidate to be eliminated where there has been a previous elimination is—

(a) whichever of the tied candidates was allocated the fewer or fewest votes in accordance with voters' first preferences, or

(b) if that fails to resolve the tie, whichever of them had the fewer or fewest votes after the next stage of counting (if any),

and so on.

(3) Where there has been no previous elimination, or where there has been a previous elimination but the tie is not resolved under paragraph (2) above, the returning officer shall forthwith decide by lot which of the tied candidates is to be eliminated.

Equality of votes: which candidate to be elected

49A (1) This rule applies to determine which candidate is elected under rule 45A(4) or (5) above in a case where there are only two remaining candidates and they have an equal number of votes.

(2) The candidate to be elected is—

(a) whichever of the remaining candidates was allocated the more votes in accordance with voters' first preferences, or

(b) if that fails to resolve the tie, whichever of them had the more votes after the next stage of counting (if any),

and so on.

(3) Where the tie is not resolved under paragraph (2) above, the returning officer shall forthwith decide by lot which of the remaining candidates is to be elected.".

8 In rule 50 (declaration of result), in paragraph (1), for sub-paragraphs (a) to (c) there is substituted—

"(a) declare the number of votes obtained by each candidate (including any reallocated in accordance with rule 45A above), starting with the candidate with the fewest and proceeding in order to the candidate with the most;

(aa) declare which is the candidate who (in accordance with that rule is) elected;

(ab) declare the stage at which each eliminated candidate was eliminated and the stage at which the elected candidate was elected;

(b) return the name of the elected candidate to the Clerk of the Crown;

(c) give public notice of the name of the elected candidate, the number of rejected ballot papers under each head shown in the statement of rejected ballot papers, the number of votes allocated to each candidate in accordance with voters' first preferences, and for each subsequent stage of counting—

(i) the name of the eliminated candidate;

(ii) the number of votes reallocated to each of the remaining candidates, and

(iii) the number of votes of the candidate eliminated at the previous stage that were not reallocated.".

9 In rule 53 (return of forfeiture of candidate's deposit), in paragraph (4), for the words after "is completed," there is substituted "the number of first preference votes obtained by the candidate is found to be not more than one twentieth of the total number of first-preference votes obtained by all the candidates.".

10 (1) In rule 61 (deceased independent candidate wins), in paragraph (1), for "the majority of votes is given to the deceased candidate" there is substituted "the deceased candidate would have been elected (in accordance with rule 45A above) had he not died".

(2) In paragraph (2) of that rule, for sub-paragraph (a) there is substituted—

"(a) declare the number of votes obtained by each candidate (including any reallocated in accordance with rule 45A above, starting with the candidate with the fewest and proceeding in order to the candidate with the most,

(aa) declare that the deceased candidate would have been elected had he not died,".

(3) For sub-paragraph (c) of that paragraph there is substituted—

"(c) give public notice of the number of rejected ballot papers under each head shown in the statement of rejected ballot papers, the number of votes allocated to each candidate in accordance with voters' first preferences, and for each subsequent stage of counting—

(i) the name of the candidate eliminated,

(ii) the number of votes reallocated to each of the remaining candidates, and

(iii) the number of votes of the candidate eliminated at the previous stage that were not reallocated.".

11 (1) For rule 62 (deceased independent candidate with equality of votes) there is substituted—

"62(1) This rule applies in relation to an election mentioned in rule 60(1) above.

(2) The reference in rule 45A(3) above to the candidate with the fewest votes, in a case where—

(a) there are two or more candidates with fewer votes than the others but an equal number to each other, and

(b) one of them is a deceased candidate,

shall be taken as a reference to the deceased candidate.

(3) The reference in rule 45A(4) or (5) above to the candidate with more votes than the other remaining candidates put together, in a case where—

(a) there are only two remaining candidates,

(b) those two candidates have an equal number of votes, and

(c) one of them is a deceased candidate,

shall be taken as a reference to the candidate other than the deceased candidate.

(4) Where paragraph (2) or (3) above applies, it applies in place of rule 49 or 49A above.".

12 (1) The Appendix of forms is amended as follows.

(2) In the Form of Front of Ballot Paper—

(a) for "**VOTE FOR ONE CANDIDATE ONLY**" there is substituted—

"Put the number 1 next to the name of the candidate who is your first choice (or your only choice, if you want to vote for only one candidate).

You can also put the number 2 next to your second choice, 3 next to your third choice, and so on.

You can mark as few or as many choices (up to the number of candidates) as you wish.

Do not use the same number more than once.".

(b) the numbers on the left-hand side are omitted, together with the vertical rule separating them from the particulars of the candidates.

(3) In the directions as to printing the ballot paper—

(a) in paragraph 2(a), for "the direction to vote for one candidate only" there is substituted "the directions beginning "Put the number 1 next to the name of the candidate who is your first choice" and ending "Do not use the same number more than once."";

(b) in paragraph 2(b), for the words "the vertical rules separating those particulars from the numbers on the left-hand side and the spaces on the right" there is substituted "the vertical rule separating those particulars from the spaces on the right".

(4) In the Guidance for Voters—

(a) for paragraph 1 there is substituted—

"1 When you are given a ballot paper go to one of the compartments. Put the number 1 on the ballot paper in the box to the right of the name of the candidate who is your first choice (or your only choice, if you want to vote for only one candidate).

You can also put the number 2 in the box to the right of the name of the candidate who is your second choice, the number 3 in the box to the right of the name of the candidate who is your third choice, and so on. You can mark as few or as many choices (up to the number of candidates) as you wish. Do not use the same number more than once.",

(b) in paragraph 2, the words "Vote for one candidate only." are repealed.

PART 2

AMENDMENTS OF OTHER PROVISIONS OF THE 1983 ACT

13 The 1983 Act is amended as follows.

14 (1) In section 66 (requirement of secrecy), in subsection (2)(b), for "the candidate for whom any vote is given on any particular ballot paper" there is substituted "how any particular ballot paper has been marked".

(2) In subsection (3)(b) and (c) of that section, for "the candidate for whom" there is substituted "how".

(3) In subsection (3)(d) of that section, for "the name of the candidate for whom he has or has not" there is substituted "how he has".

(4) In subsection (4)(d) of that section, for "the candidate for whom any vote is given on any particular ballot paper" there is substituted "how any particular ballot paper has been marked".

(5) In subsection (5) of that section, for "the candidate for whom" there is substituted "how".

(6) Subsections (7) and (8) of that section are repealed.

(7) The amendments made by this paragraph do not apply to a local government election (within the meaning given by section 204(1) of the 1983 Act) in Scotland.

15 In section 113 (bribery), in subsection (7)—

(a) for "this section the expression" there is substituted "this section—

(a) the expression";

(b) at the end there is inserted—

"(b) a reference to voting or refraining from voting, in the case of a parliamentary election, includes a reference to marking or refraining from marking preferences on the ballot paper;

(c) a reference to the vote of any voter, in the case of a parliamentary election, includes a reference to the marking of a voter's preferences on the ballot paper.".

16 In section 114 (treating), at the end there is inserted—

"(4) Subsection (7)(b) of section 113 above has effect for the purposes of this section as it has effect for the purposes of that one."

17 In section 115 (undue influence), at the end there is inserted—

"(3) Subsection (7)(b) of section 113 above has effect for the purposes of this section as it has effect for the purposes of that one.".

18 (1) In section 117 (savings as to parliamentary elections), in subsection (2)(b), for "to record his vote for any particular candidate" there is substituted "to vote in any particular way".

(2) In subsection (2)(c) of that section, for "recording his vote for any particular candidate" there is substituted "voting in any particular way".

19 (1) In section 139 (trial of election petition), in subsection (6) the words "the parliamentary elections rules or", in both places, are repealed.

(2) After that subsection there is inserted—

"(6A) If the petition relates to an election conducted under the parliamentary elections rules and it appears that there is an equality of votes between any candidates (a 'tie')—

(a) rule 49, 49A or 62 of those rules (whichever is relevant) shall apply for the purposes of the petition;

(b) where under rule 49 or 49A the tie fails to be resolved by lot—

(i) any decision made by lot by the returning officer under that rule shall, in so far as it resolves the tie, be effective also for the purposes of the petition, and

(ii) in so far as the tie is not resolved by such a decision, the court shall resolve it by lot.".

20 In section 165 (avoidance of election for employing corrupt agent), after subsection (3) there is inserted—

"(3A) In the case of a parliamentary election—

(a) a vote shall be deemed in accordance with subsection (3) above to be thrown away only to the extent that it indicates a preference (whether a first preference or any other) for the person who was under the incapacity, and

(b) any number on the voter's ballot paper indicating a subsequent preference shall be treated as reduced by one.".

21 In section 166 (votes to be struck off for corrupt or illegal practices), in subsection (1), for the words from "election there shall" to the end there is substituted "election, then on a scrutiny—

(a) there shall be disregarded any preference for the candidate (whether a first preference or any other) indicated by a voter who is proved to have been so bribed, treated or unduly influenced, and

(b) any number on the voter's ballot paper indicating a subsequent preference shall be treated as reduced by one.".

22 In section 199B (translations etc of certain documents), in subsection (6), for the words "in the case of a parliamentary election or" in paragraph (a) there is substituted

"in the case of a parliamentary election, must have printed the following words both at the top and immediately below the list of candidates:

"Put the number 1 next to the name of the candidate who is your first choice (or your only choice, if you want to vote for only one candidate).

You can also put the number 2 next to your second choice, 3 next to your third choice, and so on.

You can mark as few or as many choices (up to the number of candidates) as you wish.

Do not use the same number more than once.",

(aa) in the case of".

PART 3

AMENDMENTS OF OTHER ENACTMENTS

Political Parties, Elections and Referendums Act 2000 (c. 41)

23 In section 3A of the 2000 Act (four Electoral Commissioners to be persons put forward by parties), in subsection (7), for "votes cast for" there is substituted "first-preference votes obtained by".

24 In section 1 of the 1986 Act (Parliamentary constituencies) in subsection (1), for "a single member" there is substituted "no fewer than three members except for constituencies named in Schedule 2, rule 6 of this Act"'.

Amendment 224, in title, line 3, after 'vote', insert 'plus'.

Amendment 35, in title, line 3, after 'system', insert

'or the single transferable vote system or the additional member system'.

Amendment 139, in title, line 3, leave out

'if a majority of those voting in the referendum are in favour of that'

and insert

'or the single transferable vote system if either option is selected in the referendum'. '

Caroline Lucas: I am pleased to move the amendment that stands in my name and those of the hon. Members for Clacton (Mr Carswell) and for Great Grimsby (Austin Mitchell). I welcome the fact that the Committee is at long last debating the possibility of a referendum on electoral reform, but it is crucial that the public choose the voting system, not the politicians. We do not often have referendums in this country, and now that we are planning to have one, the least that we can do is give people a real choice on their ballot papers. It is hugely disappointing that AV is the only alternative to first past the post in the Bill. As a result, the Bill fails to live up to the promise of genuine reform and of re-engaging people with the political process.

10.15 pm

Amendment 7 is about giving people a real choice of electoral systems, because it is essential that the referendum question is not set up by the politicians to promote their favoured system. Of course, I have my views about which system would be preferable—the Green party advocates the additional member system as the fairest—but our amendment 7 is not about promoting a favourite system; it is about giving the public the options and allowing them to make their own choice. Rather than simply offering a narrow choice between first past the post and the alternative vote system, our amendment widens the question, so that in addition to the AV option, voters are given the opportunity to express a preference for one of the other main voting systems in elections for UK institutions.

There are two parts to our proposed question. The first part asks people whether they want a change from the current, first-past-the-post system; and for those who do, the second part offers the options of the alternative vote, the additional member system, and the single transferable vote, to be listed in order of preference. Our amendment is needed, because it is contradictory for the coalition to be talking about electoral reform while seeking to offer little more than a Hobson's choice, between AV and first past the post.

Sir Alan Beith: I have every sympathy with the hon. Lady's amendment and the argument that she is putting forward. However, before she starts to attack the coalition, she must surely recognise that there is no possible coalition of parties that we could join in carrying through the present House of Commons a referendum that would allow people the choice of the single transferable vote, desirable though that would be, and her one-Member party in this House certainly cannot achieve that objective.

Caroline Lucas: I thank the right hon. Gentleman for his intervention, but perhaps I am more optimistic than he is. I hope that the power of argument might just wake up our fellow Members.

Austin Mitchell (Great Grimsby) (Lab): Does my hon. Friend agree that what we are doing is repairing the damage done by the gutlessness of the Liberal Democrats? They did not have the guts or the integrity to include in the referendum a question on a system of proportional representation, which they always purported to believe in. We are allowing the people to speak out.

Caroline Lucas: Many millions of people in this country will be looking at what some Members do in the Committee this evening, and they will be looking with a degree of perplexity, given that what we hear many Members might do runs counter to what was in their manifestos.

Mr Stewart Jackson: I thank the hon. Lady for giving way; she is being very generous. If there was a groundswell of popular support for the single transferable vote, surely the Liberal Democrats, just after the election but before they entered the coalition Government, would have been able to persuade the Labour party to push through primary legislation to deliver the single transferable vote. However, that was not possible because, quite frankly, the single transferable vote is not generally supported by the voting public of this country.

Caroline Lucas: I thank the hon. Gentleman for that intervention, but in fact there are plenty of opinion polls, conducted by the Electoral Commission and others, that show that there is a majority for electoral reform in this country. We are not saying that that necessarily means STV; we are saying that we should let the people decide. It is not right that politicians in this House should basically stitch up the question and then try to present people with a Hobson's choice between two things, neither of which, as we know, people prefer.

Mr Douglas Carswell (Clacton) (Con): Given that it is not every day of the week—indeed, it is not every year—that we send out millions of ballot papers to millions of homes asking people to decide whether they want to change the electoral system, does my hon. Friend not agree that the least that we can do is allow them a proper choice, from the full spectrum, regardless of our personal preferences? Rather than confronting them with the politicians' choice, we should allow them a full range of options.

Caroline Lucas: I absolutely agree with the hon. Gentleman. In a way, it is pretty arrogant for Members to assume that the population do not have a view and cannot make a sensible choice. Are we really saying that first past the post is such a strong and popular system that it justifies such a narrow question? Recent history suggests that it is not. It is no accident that following the collapse of the Soviet Union, not one of the eastern or central European countries emerging from years of totalitarian rule chose the Westminster model. Similarly, is AV really the only system that we should consider if we want to change?

I acknowledge that the alternative vote system has a number of advantages over first past the post and that, in some respects, it represents a small step forward. The Electoral Reform Society has conducted a thorough analysis of AV, and I share its assessment that there are some positives. Those positives include the ability of voters to record a sincere first preference, thus reducing the need for tactical voting; the widening of the political choice available to the elector; and the disincentives that the system offers for parties to pursue core vote strategies that ignore the wishes of the majority of the electorate.

Mr MacNeil: Does the hon. Lady agree that AV, which the Liberal Democrats have accepted and which they imagine to be a halfway house between first past the post and STV, is not a halfway house at all? I contend that it does not go even a quarter of the way towards STV—probably not even a tenth or a twentieth or a fiftieth of the way. It probably does not go even 1% of the way towards STV. The Liberals have been bought off more than cheaply.

Caroline Lucas: I agree. The alternative vote represents a small step forward, but we should be very clear that it is not a proportional system. We owe it to the electorate to put before them a choice that includes a genuinely proportional system. The debate is wider than whether we should choose AV or first past the post. The relative merits of AV as against first past the post cannot be said to cover all the arguments in a modern debate about real electoral reform.

Sir Alan Beith: The hon. Lady is making a constructive contribution, but she must face the fact that, if she were successful in carrying her amendment, there would not then be a majority in the House in favour of a referendum at all. That is surely not an outcome that she would want.

Caroline Lucas: I find that incredibly disappointing and defeatist—*[Interruption.]* Well, it might be said that, had the terms of the coalition agreement been different, and had different priorities been at the top of the list, we might not have found ourselves in this situation. I believe that the role of politicians in this House is to do what we believe to be right, and I believe that it is right to give people this choice. That is what will be respected by the electorate.

Mr Carswell: Does my hon. Friend not agree that there is something rather bizarre about the position of the Liberal Democrats? They have been arguing for STV for as long as anyone can remember, but, in order to cook up a coalition, they have abandoned their reformist credentials and are now happy to settle for something that is not even their preferred option.

Caroline Lucas: I agree, and I very much hope that Liberal Democrat Members will follow us through the Lobby to support this amendment. Even if we do not win the vote tonight, this could become a self-fulfilling prophesy. If some Members are not willing to put their bodies where their mouths are, and are not prepared to fulfil the promises in their manifesto, we cannot be surprised that people lose faith in the political process. This amendment is about restoring faith in the political process; it is about trusting the electorate and delivering on promises to treat them a bit better.

My primary concern as we consider the Parliamentary Voting System and Constituencies Bill is that it is the public who should choose our voting system, not the politicians. That ought to be a principle around which we can all agree. We can argue about whether to adopt AV-plus, first past the post, the single transferable vote or the additional Member system, but the principle should be that it is for the people to decide.

Mr Jackson: Does not the real-world experience of the single transferable vote system show that deals are made by politicians in smoke-filled rooms after elections, after the people have had the opportunity to make their choices? One has only to look at the anecdotal evidence from such systems across the world to see that, in reality, the ordinary voter, having cast their ballot, is shut out from the business of governance. That is the result of the STV system.

Caroline Lucas: That is an argument against STV, but I keep stressing that what we are talking about is the right of the public to choose the system. When they have that right, we can have the debate about whether STV does or does not lead to decisions being made in smoke-filled rooms. The hon. Gentleman's assertion is rather ironic. He is concerned about what goes on in smoke-filled rooms, and perhaps he does not want the public to make any decisions on this. He does not want the fresh air of public opinion to be waved over our debate tonight, but that is exactly what should happen. That is why the public should decide.

Nic Dakin (Scunthorpe) (Lab): Does the hon. Lady agree that, if we are going to spend £100,000 at a time when money is short, we should at least give the British people a full choice of options, rather than a limited one? That would represent better value for money. People have already had the opportunity to vote for a referendum on AV, when the Labour party put that proposal before them at the election. Sadly, we did not win the election, and there is no groundswell of support for a referendum on AV.

Caroline Lucas: I absolutely agree. It is also important that we do not underestimate the public. Some say that voters cannot understand the different voting systems, but that is a very patronising position and does not bear scrutiny. Voters regularly manage to make the best of first past the post, for example, despite the fact that it fails to deliver seats that reflect the votes cast.

All the systems that appear in the question we suggest should be on the ballot paper have advantages and drawbacks, but none are so mind-bending that the public cannot be trusted to debate and, crucially, choose between them. We need to inject some health and optimism back into our political system; and we can do that if we give people the chance to have a real debate and a real choice. It should not be about whether or not there is sufficient agreement in this House for putting it to the public; it should be absolutely automatic that the public have the right to choose.

Ian Lucas (Wrexham) (Lab): If the Tories and their allies were interested in genuine reform, would they not have produced a draft constitutional reform Bill? We could all have discussed it and consulted the public on it. Is not the reality that this is a shabby political deal between the Tories and their allies on the Government Benches to fix political advantage? The only party that knows it would benefit from an alternative vote system is the Liberal Democrat party

Caroline Lucas: Unfortunately, I think that the hon. Member is right that this was a shabby political deal done in the very smoke-filled rooms that the coalition complain about.

Our political system is sick, I argue, and getting this question right provides the only road to real recovery. The system is sick because swing voters in just a tiny number of seats effectively decide who is going to run this country. It has resulted in the targeting of funding at marginal constituencies and voters in most other parts of the country being sidelined, if not ignored.

Mr Carswell: My hon. Friend is being incredibly generous in giving way. Does she agree that if the amendment were accepted and people could vote for a single transferable vote system with multi-member constituencies, they would effectively be returning to the Disraelian idea of three-Member boroughs, which is a profoundly Conservative idea?

Caroline Lucas: Well, I thank the hon. Member, but I perhaps agree with that slightly less than with some of his other more constructive interventions.

Let me return to my final point, which is about more than what kind of voting system we select, as it is about reconnecting with the public. It is not long ago that we went through the expenses scandal and gained the sense that people were very disillusioned with this House and

[Caroline Lucas]

wanted MPs to clean up politics—whatever their preference of voting system. That is why I hope colleagues will support this amendment to depoliticise the question and give voters the option to express their real views on what electoral system we should have.

Parliament came to seen with contempt by many, because it was seen to be acting in its own interests and not those of the people whom it was supposed to serve. If this amendment is rejected, people will reach the same conclusion once again—that Parliament is acting in its own interests rather than trusting the public to make a decision. A stitched-up referendum that denies people a real choice smacks of the old politics. Tonight we have an opportunity to create a healthy system, based on respect for the electorate and the creation of a real debate on a real question. I urge hon. Members to support amendment 7.

Mr Harper: I want to speak to Government amendments 230, 231 and 232, which relate to the question, and I note that similar provisions were tabled by members of the Political and Constitutional Reform Committee, so their names have been added to the Government amendments. For every referendum held under the Political Parties, Elections and Referendums Act 2000, the Electoral Commission has a statutory duty to consider the wording of the proposed referendum question and to publish a statement of its views on its intelligibility. Where the question is contained in a Bill, this duty is triggered when the Bill is introduced and the report has to be submitted as soon as reasonably practicable after that. The commission completed the process for the referendum on the current voting system on 30 September.

10.30 pm

Most people whom the Electoral Commission consulted felt that the existing question, as proposed by the Government in the Bill, was neutral and not biased. Many considered it to be clear, direct, concise and straightforward. Others, however, found it difficult to understand and confusing. The commission has therefore suggested that the question should be changed to read:

"At present, the UK uses the 'first past the post' system to elect MPs to the House of Commons. Should the 'alternative vote' system be used instead?"

The proposal for a two-sentence question, rather than the one-sentence question proposed by the Government, was based on evidence from the commission's public opinion research, which involved focus groups and interviews with members of the public as well as input from experts on plain language. The redraft avoids some of the slightly complex language in the original question, abbreviates some of the terminology, and splits the one long sentence in the original into two shorter ones.

Mr Jenkin: If my hon. Friend studies the focus group research conducted by the Electoral Commission, he will see that what voters found most confusing about the question was the term "alternative vote". Voters have very little idea what that is. Now the Electoral Commission has told us that it will produce literature explaining what it is to voters, but would it not be better to give the alternative vote system its proper name, which is, in fact, "optional preferential voting with instant run-off"? That would explain exactly what it is, leaving no ambiguity.

Mr Harper: I expected my hon. Friend to make the point that he has just made, because I have seen his amendment to that effect. Although what he says is accurate, I do not think that putting the question in that way would lead to an improvement—

Mr Jenkin: It might put people off.

Mr Harper: That may well be the case, and my hon. Friend and I might find that a very happy outcome, but when the Government drafted the original question we were very clear about the fact—which was confirmed by the Electoral Commission's research—that it was neutral and not biased. The Government's position is that we very much want the referendum, but are neutral about the outcome. The two coalition parties are not neutral about it, but the Government are: that is, Ministers are neutral in their capacity as Ministers. I am glad that the commission found that our question was neutral and not biased.

However, my hon. Friend has hit on a good point: the need to ensure that voters know what they are voting on. We thought it important to include in the Bill the details of the specific form of alternative vote that would be brought into effect in the event of a "yes" vote in the referendum. My hon. Friend characterised it correctly as an optional preferential system. No doubt the Electoral Commission will conduct some education in a neutral and unbiased way. The two campaigns will also explain not just the mechanics of the system, but the outcomes and potential impact of introducing it or retaining the existing system. I am convinced that by the end of the campaign, voters will be in no doubt about the consequences, and will therefore be able to make a very clear decision on 5 May next year.

George Eustice (Camborne and Redruth) (Con): I think that the Electoral Commission's wording is a big improvement. It removes words such as "adopt", which had biased connotations in the original. I have studied the commission's research. According to one of its findings,

"Some people thought that the reason for changing the voting system was because the last election had resulted in a hung Parliament and that perhaps AV would avoid that."

There is clearly a great deal of confusion about AV, which will actually lead to more rather than fewer hung Parliaments.

There is a second problem. In fact, AV is simply a second-rate version of first past the post. Let me make another suggestion about the wording. Perhaps it should refer to a "one person, one vote" system, which is what we have now, versus a multiple voting system in which some people receive more votes than others—which is basically what AV is.

Mr Harper: I think that my hon. Friend is anticipating the referendum campaign. Tempted though I am, he would not expect Ministers to be drawn into a debate about the merits of different electoral systems at the

Dispatch Box. That will take place when we have the referendum. However, he made a good point about the need to engage in a good debate about the issue. The Electoral Commission did say in its research findings that some members of the public had trouble with language when it came to the use of the words "Parliament" and "House of Commons". Thinking back to the previous debate and the comments of my hon. Friend the Member for Grantham and Stamford (Nick Boles), we in this House should consider members of the public who do not take an enormous interest in, or spend a great deal of time on, these issues, important though we think they are. We need to make sure we address those people, and not just ourselves.

It is very important that the referendum question should be clear and simple to understand. The Government welcome the commission's helpful report. I have read it carefully and, based on the evidence that the commission presented, we have decided to accept its redrafted question.

Sir Alan Beith: I must, on the grounds of language simplicity, draw my hon. Friend's attention to the Welsh version in Government amendment 231. Although my understanding of Welsh is not as wide and deep as I would like it to be, I have not often seen the abbreviation "DU" used for "United Kingdom" in Welsh. I therefore wonder whether it would be at all familiar to most voters, and whether it would not be better to spell out "United Kingdom" in Welsh.

Mr Harper: I am very interested in my right hon. Friend's views. Having a great deal of respect for the Welsh language, and being frank about my inability to speak it, I did not want to abuse it by reading out the Welsh version of the question. I did not intend to do that, and I am not going to do so. I have taken the precaution of talking to my hon. Friend the Under-Secretary of State for Wales. He is a Welsh speaker, and he has consulted a number of colleagues. We do not think there is a problem with the language. The Electoral Commission did highlight one potential problem to do with the yes/no question and words such as "should" and "should not" in Welsh. It felt that there was a risk but that, on balance, this was an improvement. We have taken its analysis on board and we have accepted its drafting rather than changing it, because if we were to change it we would have to go through another process of assessing the accessibility.

The Government consider that the new version is no less neutral than the previous one. We do not think it alters in any way the choice that the question puts to the public, but we do think it is clearer and easier to understand, which is why we have accepted it. Our amendments therefore insert the new question into clause 1 in English and Welsh, and it is replicated in English only in the form of the ballot paper, which is addressed in schedule 2. This is supported by members of the Political and Constitutional Reform Committee, and I hope the House will support it as well.

Let me make a point about amendment 7, to which the hon. Member for Brighton, Pavilion (Caroline Lucas) spoke. It refers back to the point to which the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) drew attention. They were both right that many Liberal Democrat colleagues support either the single transferable vote or some other form of proportional system, whereas most Conservative party colleagues do not. The nature of a coalition Government is that we have to reach a compromise, however, and the compromise we have reached is that Conservatives have agreed to put the choice to the public and Liberal Democrats have had to accept that although they have a vote on a system that they prefer to first past the post, that is not everything they would have hoped for. It has been rightly said that there is not a majority in this House in favour of putting a referendum question to the public on proportional representation, and I think Liberal Democrat colleagues have been entirely sensible in reaching a compromise—as, I think, have Conservative colleagues as well. We on the Government Benches are clear that we want to put this question to the public. I agree with the hon. Lady that the public, not politicians, should choose the voting system. We are going to give that choice to the public and see whether they want to stick with the existing system or change it.

Caroline Lucas: I do not quite understand how the Minister can say he is happy for the public to make the decision at the same time as closing down the very options that the public will make that decision on. I think that, again, we have to say that this is about trusting the public. It is not about what the Government or the Lib Dems want, or what any individual Members want. It is about giving the public the right to choose.

Mr Harper: The hon. Lady has chosen a selection of things to put in front of the public in her amendment; it is just a different choice from that proposed by the Government. It is no more or less the choice of the public, however. Unless we were to have a ballot paper that listed every single possible electoral system in the entire universe that has ever been thought of, it will always, to some extent, be a choice designed by politicians.

Caroline Lucas *rose—*

Mr Harper: Let me just finish responding to the previous intervention. Those on this side of the House have made a judgment, we are going to put that question to the public, and members of the coalition parties will then campaign vigorously. I think I have detected that Opposition Members too will be on both sides of the debate. We will have that battle and the public will make a decision.

Caroline Lucas: I just wish to explain that the options we have proposed for the ballot paper are not ones that we picked out of a hat at random. We were trying to create a set of questions that were most likely to be acceptable to the House by, for example, including both AV, because that was what was in the original question, and those existing electoral systems already used in some form or another in the United Kingdom. We were not proposing a random set of choices. Of course we cannot give 100 different options, but we can propose those voting systems that people in this country are more or less familiar with, perhaps because they have voted for the Welsh Assembly or the Scottish Parliament. There is a rationale behind what we are doing, and this is not a random set of options.

Mr Harper: It sounds as if the hon. Lady and those on the Government Benches are doing the same thing; we are putting to the House amendments that we think will get support. If she wishes to test hers and we test

[Mr Harper]

ours, we will see which of us has made the right judgment about which will get the support of the majority of Members in this House.

Mr MacNeil: Surely it is better to give the public a choice of three or perhaps four electoral systems that are commonly used throughout the United Kingdom, rather than a very narrow restricted choice of two, which seem to have been the subject of some sort of agreement in the smoke-filled rooms of this new coalition. Surely the public should be trusted and allowed to choose for themselves.

Mr Harper: Opposition Members seem awfully obsessed by smoke-filled rooms. Given that this House voted in the previous Parliament to ban smoking in public places, I have not detected a lot of smoke in any of the rooms where we have had our discussions.

As I said, choices will be put to the House this evening; if the opinion of the House is tested, the House can make a judgment about which of the questions it finds most acceptable. I hope that hon. Members will support the amendments that I have proposed, which the Government have tabled. The hon. Member for Brighton, Pavilion is perfectly free to test hers too, and we will see where the balance of opinion in the House lies. Given that we have only 18 minutes left and we are dealing with a number of amendments, I shall draw my remarks to a close and allow the debate to continue.

Chris Bryant: May I say first to the Minister that one of the things that has crept into the contributions made from that Dispatch Box of late is a differentiation of a Minister as a Minister from a Minister when he or she is not acting in a ministerial capacity in some way? That is a dangerous concept to begin to adumbrate, because Ministers have to act, to some degree, with collective responsibility. Once that starts to fall apart, government starts to fall apart.

Mr Harper: I made it clear that the coalition agreement says that there will be, and the Government's policy is for there to be, a referendum on the voting system, offering a choice between first past the post and the alternative vote. The Government do not have a view on the outcome, and that has been made clear. The coalition agreement explicitly says that the coalition parties will campaign on different sides, so I do not think that there is any risk to collective responsibility.

Chris Bryant: I understand the Minister's point, but I just want to help him avoid becoming too much like the Deputy Prime Minister, because we would not want him to morph into a Liberal Democrat—I am sure he would not want that either. *[Interruption.]* The Deputy Prime Minister started with this concept of a personal idea on the situation in Iraq, so I just gently say that to the Minister.

The one thing on which I wholeheartedly agree with the Minister is what he said about Government amendments 230, 231 and 232 on changing the precise wording of the question. I think that the Electoral Commission has done a good job. It has looked at this and given us a better question, and we wholeheartedly support that. However, that is not the real point. The real difficulty was pointed out by the hon. Member for Harwich and North Essex (Mr Jenkin), who said that the bit that the Electoral Commission discovered that most people did not fully understand is what "alternative vote" means. I am not going to go down the route of supporting his amendment 244, which proposes

"optional preferential voting with instant runoff"

because I do not think that his is an unbiased question and I do not think it is intended to be helpful. It was presented with the usual finish and cheek with which he presents his arguments to the House.

10.45 pm

The speed with which the proposals were introduced, and the lack of consultation between all the political parties in the House, the Political and Constitutional Reform Committee and the wider community, mean that it is more difficult to be confident that by May next year there will be a full information campaign on the precise nature of the alternative vote system.

I happen to support AV. I was selected as the candidate in Rhondda by the Labour party under AV, although as it happens I won on first preferences. I happen to be one of the very few Members of Parliament who, in 2005, was elected by more than 40% of not just those who voted, but all the electorate, including those in Rhondda who did not vote. I none the less support AV, and I shall vote in favour of it in a referendum. I just wish that the referendum was not being held next year, and that there was not such a rush. This is one case where the Minister has perhaps got the better of the Deputy Prime Minister, in that the Minister's plans will almost certainly see the Deputy Prime Minister's desire to implement the alternative vote system fail.

I want to say a couple of words about the "preferendum"—a term first coined, I think, in New Zealand—proposed in the amendment of the hon. Member for Brighton, Pavilion (Caroline Lucas). I confess that I am surprised that not a single Liberal Democrat—not even a Back Bencher—has put their name to the amendment. I recall that the current Secretary of State for Energy and Climate Change said on 2 February 2010:

"We will bring forward amendments next week to give people a real choice for a more significant change to fair votes and a proportional election system."

The Liberal Democrat election manifesto pledged to change politics and abolish safe sex—safe seats—*[Laughter.]* That was a Freudian slip. It pledged to abolish safe seats

"by introducing a fair, more proportional voting system for MPs."

It continued:

"Our preferred Single Transferable Vote system gives people the choice between candidates as well as parties."

Of course, the Deputy Prime Minister himself said:

"AV is a baby step in the right direction—only because nothing can be worse than the status quo."

He wanted a proportional system. I think it is a sadness that the great, grand Liberal Democrat party is no longer—*[Interruption.]* Well, it is certainly large—

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath) *rose*—

Chris Bryant—as the hon. Gentleman is about to show.

Mr Heath: Will the hon. Gentleman confirm that we did introduce such amendments, and that he and his colleagues voted against them?

Chris Bryant: Then why is the hon. Gentleman not presenting those amendments tonight? That would be the honest, decent and sensible thing to do. Instead, he is proposing a timorous beastie of a Bill—something that, in his honest heart, he knows he cannot possibly defend to his voters on the basis of his party's manifesto.

Let me raise a few problems that I see with the proposal of the hon. Member for Brighton, Pavilion. First, there are complexities relating to how the amendment would work with regard to the spending limits set both in the Bill and in other legislation affecting referendums. That is not least because the legislation, as it stands, presumes that there will be a yes-no answer. In other words, it presumes that there will be two sides to the argument, rather than three, four or—as there might be in this case—five. Secondly, the amendment makes the assumption that one should arrive at the decision by use of AV; that is laid out in new clause 3. That gives rise to a problem. Finally, there is the problem that although the hon. Lady has presented some options, she has not presented all the options that might be available, as the starred amendment of my hon. Friend the Member for Great Grimsby (Austin Mitchell) makes clear.

I believe that it is not time for this timorous beastie of a reform Bill, which was cobbled together not so much to bring about proper reform in the country as to keep people in government. It has not been properly consulted on, properly thought through, or given the proper time to allow it to be successful. *[Interruption.]* The Parliamentary Secretary, Office of the Leader of the House of Commons is sitting there on the Front Bench. He is now using arguments that I used, in which I was not very confident, when I sat on the Government Benches. It is about time he stopped using the argument about hypocrisy and brass neck when he is the one, despite the fact that we cannot see the difference between his shoulders and his head, with the largest brass neck of all in the Chamber.

Let us not hear any more about new politics from the Government. This is a shoddy little Bill, not a braveheart root and branch reform—a Bill built on narrow party advantage cobbled between the two Ministers. Nasty, incongruous deals have been pushed through by tough whipping, as we have seen this afternoon—everything that the hon. Member for Somerton and Frome (Mr Heath) used to condemn when he sat on the Opposition Benches. The only reason there were not any smoke-filled rooms for Ministers to sit in to cobble together their deals is that we voted for the legislation to ensure that people's health improved in this country. He did not.

Mrs Laing: The hon. Member for Brighton, Pavilion (Caroline Lucas) made a sincere speech in support of her amendment 7, but it was wrong because she argued about giving more power to the people. Her amendment has nothing whatever to do with standards in the House of Commons. It would cause confusion and lead to the loss of the two most important factors that any electoral system ought to depend on—clarity and certainty. They are present in first past the post, but they certainly are not in amendment 7.

Mr Carswell: I helped draft the design of the ballot paper under this amendment. Can the hon. Lady explain which bits of it she thinks her constituents would be unable to understand?

Mrs Laing: I did not say that my constituents would not be able to understand. My constituents are very intelligent, and I am sure that they would be able to understand. I will not go into a long explanation at this point in the evening. I am merely saying, and I stick to it, that if amendment 7 were to become part of the Bill, the referendum would bring about a system—any of the systems in amendment 7—that would lack clarity and certainty. Any voting system ought to have clarity and certainty.

Clarity is what amendment 230 is all about. I am pleased to say that the Political and Constitutional Reform Committee, of which I am a member, looked at the report of the Electoral Commission. The commission consulted extensively on the wording of the question, as the Minister has told us this evening. The Select Committee supported the suggestions of the Electoral Commission. The wording in amendment 230 is much clearer. It brings about clarity and certainty when a question is put to the electorate, as it should be. Therefore, members of the Select Committee tabled this amendment. We were delighted to discover that the Minister and the Deputy Prime Minister also supported the amendment, and I hope that the Committee will support it this evening.

Austin Mitchell (Great Grimsby) (Lab): What the hon. Lady thinks about the system is largely irrelevant. Amendment 7 is designed to allow the people to speak out—to put before them the choice of a preferential system. I have to point out to my hon. Friend the Member for Rhondda (Chris Bryant) that this was exactly the wording of the New Zealand referendum. In 1993 it was decided that people did not want the first-past-the-post system, and they were given a choice about what system they wanted to replace it. In that referendum, almost 60% of people said that they wanted the additional member system. Only 6.6% said that they wanted the alternative vote.

Chris Bryant: My hon. Friend is right, but New Zealand is a unicameral system, and I have argued and campaigned in the House for many years in favour of a second Chamber that is elected, not appointed, on a proportional system. We should have a Bill about the whole of constitutional reform, rather than picking off bits and pieces one by one.

Austin Mitchell: Why does my hon. Friend not see that it is daft to give the second Chamber a better representative system than the first Chamber? It is important that the first Chamber has a system that gives us representation according to the way people vote. That is the essence of proportional representation; that is all we are trying to include in the referendum.

Mr MacNeil: Having just heard the words uttered by the hon. Member for Rhondda (Chris Bryant), it is a fact that for the electors here, we effectively have a unicameral system, because they do not vote for those who enter the Chamber down the corridor.

Austin Mitchell: Exactly—that is the point. What we want to do in the amendment is quite simple. We want to give the people the choice that the Liberal Democrats did not have the strength or the guts to give them. The Liberal Democrats are in favour of a system to allow people to vote in a referendum on the alternative vote, which is largely irrelevant—it is a system that allows people to list candidates in one constituency in order of preference—because they hope to benefit from the fact that they are everyone's second preference, but the first preference of very few people.

Simon Hughes (Bermondsey and Old Southwark) (LD): As far as I recollect, in New Zealand there were two votes in sequence: one on whether people wanted to have a change, and a separate vote on which change to have. The hon. Gentleman must also recognise what my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith) said: in the House, given the way in which the Labour and Tory majorities have voted, there is not likely to be a majority, whatever others think, for a wide proportional system. There is a majority for progress, but not for what we might want. We should not let the perfect be the enemy of the good.

Austin Mitchell: I know that there are a thousand excuses for gutlessness, but that is just another one. The Liberal Democrats are going to have to live on a diet of their own words for the next few months. It was the leader of their party who called the alternative vote "a miserable little compromise" before the election. Now it is central to Liberal Democrat policy.

The hon. Member for Bermondsey and Old Southwark (Simon Hughes) is mistaken about the referendum in New Zealand. The first referendum, which I have discussed, gave the exact alternatives that would be given in our Bill. I want to make the case for proportional representation. We are working in a system that has become a multi-party one. Fewer people are voting for the two main parties, whose share of the vote has gone down from about 90% to about 60%. A multi-party system is in the process of being born, with nationalists, including Welsh nationalists, Liberal Democrats, the UK Independence party, and all the rest of it. We are trying to fit that within the constraints of a first-past-the-post system that works well only with two parties. *[Interruption.]* I forgot to mention the Greens—I apologise, but that is another indication of our multi-party system.

We cannot fit the burgeoning multi-party system into a first-past-the-post system, which works only with two parties. The question is still why did the Liberal Democrats, in pushing for a referendum—I congratulate them on securing one—not give people the real choice between a preferential system, an alternative vote and first past the post, as that is the choice that they have to make? I would want them to choose the preferential system, but it is not up to us. It is not my views that are important, or those of Government Members—it is the views of the people. That is all that we are asking: let us consult the people on a system, and let them have their say. Every Member here thinks that the system that elected them must be the best system in the world, but that is not important. We are prejudiced witnesses, and we should give the people the power to speak. That is all that our amendment does.

Mr Mark Williams: May I reiterate to the Committee and to the hon. Member for Great Grimsby (Austin Mitchell) that the Liberal Democrat party still believes in STV, has done so for years, and will continue to do so? However, the reality is that the advances that the Bill represents will be jeopardised if we adopt the amendment on STV. The agreement before us was made on the basis of a referendum on AV. Without that, we will not secure a referendum, so there would be no referendum at all. That is the reality of the debate. We still believe in STV, and this is a staging post to something towards which our party will still work, but there is no majority in the House for STV. Without that majority, there will be no referendum.

Mr MacNeil: We have just heard the Liberal Democrats say that they still believe in STV. I wonder whether that belief stretches 5 or 10 yards to the Lobby. I would wager that it does not go very far at all.

In the moments that are left, I want to speak to an amendment that I tabled.

11 pm

Debate interrupted (Programme Order, this day).

The Chair put forthwith the Question already proposed from the Chair (Standing Order No. 83D). That the amendment be made.

The Committee divided: Ayes 17, Noes 346.

Division No. 68] **[11.00 pm**

AYES

Dakin, Nic
Durkan, Mark
Evans, Jonathan
Hollobone, Mr Philip
Hosie, Stewart
Llwyd, Mr Elfyn
Long, Naomi
Lucas, Caroline
MacNeil, Mr Angus Brendan
McDonnell, Dr Alasdair
Ritchie, Ms Margaret
Robertson, Angus
Smith, rh Mr Andrew
Weir, Mr Mike
Whiteford, Dr Eilidh
Williams, Hywel
Wishart, Pete

Tellers for the Ayes:
Austin Mitchell and
Mr Douglas Carswell

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Campbell, rh Sir Menzies

Carmichael, Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
C'egg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kelvin
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Skinner, Mr Dennis
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny

Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and James Duddridge

Question accordingly negatived.

The Chair then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Amendments made: 230, page 1, leave out lines 8 to 11 and insert—

'At present, the UK uses the "first past the post" system to elect MPs to the House of Commons. Should the "alternative vote" system be used instead?'.

Amendment 231, page 2, leave out lines 1 to 4 and insert—

'Ar hyn o bryd, mae'r DU yn defnyddio'r system "y cyntaf i'r felin" i ethol ASaua Dy'r Cyffredin. A ddylid defnyddio r system "pleidlais amgen" yn lle hynny?'.—(Mr Harper.)

Question put, That the clause, as amended, stand part of the Bill.

The Committee divided: Ayes 337, Noes 240.

Division No. 69] **[11.15 pm**

AYES

Adams, Nigel
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline

Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Stephen Crabb and Mark Hunter

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, Dr Alasdair
McFadden, rh Mr Pat
McGovern, Alison
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme
Morris, Grahame M.
Munn, Meg

Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela *(Penistone and Stocksbridge)*
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Stephen Pound and Lilian Greenwood

Question accordingly agreed to.

Clause 1, as amended, ordered to stand part of the Bill.

The occupant of the Chair left the Chair to report progress and ask leave to sit again (Programme Order, this day).

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Wednesday 13 October, notwithstanding the provisions of Standing Order No. 16 (Proceedings under an Act or on European Union documents) the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Justine Greening relating to the Draft EU Budget 2011 not later than three hours after their commencement; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may begin or continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Stephen Crabb.*)

PETITION

Archway Centre (Walsall)

11.29 pm

Valerie Vaz (Walsall South) (Lab): The petition is from the friends and users of the Archway centre, Walsall. The petitioners object to the cutting of funds and resources to the Archway centre, which has already led to the closure of some services. The petitioners believe that the intention is to reduce the number of sessions and to send service users out into the community. The community is not qualified and does not have the facilities to deal with people who have mental problems. The petitioners have noted that the cuts to the funding of the Archway centre may lead to more people relying on the services of the mental health team in Walsall and an increase in admissions to the Dorothy Pattison hospital. The petitioners therefore request that the House of Commons urges the Government to take all possible steps to ensure that the Archway centre, Walsall receives adequate funding. There are 74 signatories to the petition in similar terms.

Following is the full text of the petition:

[The petition of friends and users of the Archway Centre, Walsall,

Declares that the Petitioners object to the cutting by Re-th!nk of funds and resources at the Archway Centre, Walsall, which has already led to the closure of food services at the centre - a vital service for many users who find it difficult to cook for themselves; notes that the Petitioners believe that the intention is to reduce the number of drop in sessions and to send service users out into the community, but the community is not qualified and does not have the facilities to deal with people who have mental health problems; and further notes that cuts to the funding of the Archway Centre may lead to more people relying on the services of the mental health team in Walsall and an increase in admissions to Dorothy Pattison Hospital.

The Petitioners therefore request that the House of Commons urges the Government to take all possible steps to ensure that the Archway Centre, Walsall, receives adequate funding.

And the Petitioners remain, etc.]

[P000864]

Yousaf Family

Motion made, and Question proposed, That this House do now adjourn.—*(James Duddridge.)*

11.31 pm

Andrew Stephenson (Pendle) (Con): I secured this debate to bring to the attention of the House the murder of three of my constituents—Mohammed Yousaf, Pervez Yousaf and Tania Yousaf—who were killed in Pakistan on 20 May 2010. I will start by setting out the facts of the case, explain what the family have done in their quest for justice and then touch on some of the wider issues and where I hope that the Government can assist.

Mohammad Yousaf, aged 51, his wife Pervez, aged 49, and their 22-year-old daughter, Tania, were all British citizens living in Nelson in my constituency. Mohammad Yousaf had lived in the UK for more than 40 years, working for many years as a furniture manufacturer making beds, and for a period running a small business before retiring. He also helped his wife Pervez raise their six children—three sons and three daughters. One of those daughters was Tania. Born in Nelson on 13 September 1987, she attended Lomeshaye primary school and Walshaw high school, where she is fondly remembered.

After leaving school, Tania married and had two young boys of her own—three-year-old Arien and nine-month-old Harris. She worked for Pendle borough council and then as a clerical assistant at business solutions firm Liberata in Nelson. Back in May, her manager, Wendy Smith, was reported in *The Times* newspaper describing Tania as

> "a hard-working and conscientious member of the team who was always happy and one of the nicest people we have ever met. She had a lovely sense of humour and was always a team player."

The Yousaf family decided in April 2010 to make a trip to Pakistan to arrange the wedding of their 24-year-old son, Asad Yousaf. They flew to Pakistan in two groups on 22 and 27 April. Asad's wedding took place on 5 May, and all family members returned back to the UK on 19 May, apart from Mohammed, his wife Pervez, their daughter Tania and her children. On 20 May, at approximately 12.35 pm, Mohammed, Pervez, Tania and Mohammed Anwar—another UK citizen—entered the village of Mararian Sharif, near Gujrat, Punjab. They were in this area to visit a family member—Nusrat Bibi—and also to pay respects at the grave of a deceased family member, Mohammed Zaman.

The family entered the village in two cars, one being driven by Ghulam Abbas, the family's driver, and the other by Mohammed Anwar. After spending some time at the residence of Nusrat Bibi, they had lunch before proceeding to the graveyard. At approximately 2.20 pm, Mohammed, Pervez and Tania, along with Mohammed Anwar and Nusrat Bibi, entered the graveyard to pay their respects, along with their driver, Ghulam Abbas. It was then, while in the graveyard, praying and paying their respects, that they were ambushed by a group of armed men. The gunmen shot Mr and Mrs Yousaf and Nusrat Bibi with Kalashnikov rifles, before dragging the daughter, Tania, from the family's car. After dragging Tania from the car, the gunmen made her call her husband for help on her mobile phone. The call connected, but before Tania could explain to her husband what was happening, she was killed with him still listening on the line.

To illustrate further the sheer brutality of these murders, I can today for the first time, and with the permission of the Yousaf family, reveal that at Tania's post-mortem, more than 100 bullets were removed from her body. Owing to the almost indiscriminate use of automatic weapons in the incident, one of the gunmen, Khursheed Arif, was killed, along with an innocent street vendor. An aunt of the gunmen was also injured, leaving a total of six people dead and one injured, three of the dead being the Yousaf family, who were British nationals and constituents of mine.

The whole incident was witnessed by Mohammed Anwar and Ghulam Abbas, the driver, and they saw at first hand how the brutal incident unfolded. At 3 pm, a first information report was registered with the police by one of the eye witnesses, Mohammed Anwar, naming the murderers as Khursheed Arif, Sheraz Arif, Naveed Arif and Qamar Abbas, along with other unidentified people. The police attended the scene, and while they were present Qamar Abbas reappeared, and was recognised and duly arrested. Therefore, out of the four people named in the initial police report, one was dead, one was under arrest and two—Naveed and Sheraz Arif—were on the run.

At this point I would like to try and shed some light on the motive for these senseless murders. If what I have described so far is not shocking enough in itself, these cold-blooded murders were not perpetrated by a lawless gang; rather, the culprits were actually known and related to the Yousaf family. The accused—Khursheed Arif, Sheraz Arif and Naveed Arif—are all brothers. Their sister, Nabeela Mahmood, was married to Kamar Yousaf, the eldest son of Mohammed and Pervez Yousaf, in 1999. Over a period of time, Nabeela and Kamar had marital problems, which eventually led to Nabeela moving out of the marital home around 12 months before the incident took place. I understand that the two families were keen to help to save the marriage, and there was frequent dialogue, with no indications that this would or could lead to violence. However, on 20 May the Arif family brothers turned up at the graveyard with only one intention in mind—murder.

Yousaf family members have told me—I believe them—that if there had been any indication that those marital difficulties could have led to violence, their parents would not have travelled at all, or would at least have travelled with security, as is frequently the case in Pakistan. On 21 May—the day after the killings—the other members of the Yousaf family returned to Pakistan to organise and attend the funeral services for the three deceased. From the time that they arrived back in Pakistan until the time that they got home to the UK, their lives were threatened repeatedly by members of the Arif family.

On the same day, following pressure from the Yousaf family and the media, the police made moves towards arresting the two accused men, Naveed and Sheraz Arif. Unbelievably, however, given the gravity of what is alleged, they were granted bail until 26 May. The Yousaf family continually protested to the police and the relevant authorities that bail should not have been granted in such circumstances, as they believed that the accused would abscond. On 26 May, the accused failed to appear at the police station, and they remain on the run now, five months after the murders took place.

[Andrew Stephenson]

From the day of the murders until now, I have done whatever I can to assist the family in their quest for justice. In fact, I referred to the case in my maiden speech, when I committed myself to doing whatever I could to ensure that the family obtained justice through the Pakistani courts. The family have tried several different means to secure justice through the Pakistani judicial system. They have kept in constant contact with the police and relevant authorities in Pakistan. They have met Pakistani politicians and Ministers visiting the UK to highlight the case to them. The "Justice for the Yousaf Family" Facebook group has more than 2,500 members. The case has also been widely reported in both the British and Asian press, helping to raise awareness.

I was also very grateful that the Minister took the time to meet the family and me at the Foreign Office in July to discuss the details of this case and what, if anything, the British Government could do to assist. The family accept that the Foreign and Commonwealth Office's powers are limited, but I would be grateful if the Minister were to refer to that meeting and tell me what, if anything, he or his Department has been able to do since.

Members will have noticed the significant number of people in the Public Gallery listening to this Adjournment debate tonight, which speaks volumes for the desire of the family and their supporters to get justice through the Pakistani legal system. Sadly, however, the killers remain at large and the family still do not have justice. Despite numerous expressions of support and warm words, there has been little progress on the ground in Pakistan. The police seem to have put numerous people in charge of the case since the murders, but the investigation appears to be going nowhere. Each new person who is appointed never seems to be given the time to look into the case before he is transferred.

The Yousaf family, who still do not feel it safe to travel to Pakistan, have now employed a barrister in that country, at considerable cost to themselves, to have the relevant cases against the accused and their family members registered and heard. However, given the troubled past of the Pakistani legal process—and corruption, which remains an issue—the family seem to have hit a brick wall, preventing any further action or focus on the case from the authorities.

The family appreciate that neither this House nor the Minister has any powers to intervene in the Pakistani judicial system. However, after five months, they have grave concerns about how seriously the Pakistani authorities are dealing with the case. The family and I hope that by setting out the case today, we will raise awareness of this incident not only here in the UK, but in Pakistan, and that, in doing so, we will bring pressure to bear on those who are in a position to help the family to achieve justice.

I do not wish to diminish the importance of this horrific incident, but it is clear that the implications of whether the Yousaf family get justice or not go well beyond this individual case. In August this year, two other UK citizens, Gul Wazir and his wife Bagum from the Alum Rock area of Birmingham, were also murdered in Pakistan, and hon. Members will remember the case of Sahil Saeed, the five-year-old boy from Oldham who was abducted for ransom while his family were on holiday.

Richard Harrington (Watford) (Con): I thank my hon. Friend the Member for Pendle (Andrew Stephenson) for bringing this matter to the House's attention. I, too, have been involved in cases relating to justice in Pakistan, and I want briefly to mention my constituent, Mrs Saeeda Dar, whose father has been held without proper trial for more than 20 months. He is 79 years old and a diabetic, and he is being held in very basic conditions. He is a retired headmaster, and his alleged crime was to write a foreword to a pamphlet. I have read a translation of that foreword, and it is very moderate and proper. Many people in Pakistan agree with his very moderate views. Many Members on both sides of the House are very supportive of Pakistan, and I am pleased to include myself in that group as a member of the all-party parliamentary group on Pakistan. However, we feel very strongly about these cases in which justice is not being done. I thank my hon. Friend for giving me this opportunity to bring that case to light.

Andrew Stephenson: My hon. Friend brings me to my next point. More than 1 million people living in the UK can trace their roots back to Pakistan, and many of them live in the constituencies of the hon. Members to whom I am grateful for having stayed to listen to the debate tonight.

Jason McCartney (Colne Valley) (Con): I congratulate my hon. Friend on securing this Adjournment debate. I want to express my support for the dozens of Yousaf family members and supporters who have come to the House and stayed so late to watch the debate. That really is a testament to the importance of this issue, and I hope that they get some satisfaction and justice very soon. I represent a constituency with a rather large Pakistani community—and with many Kashmiris as well—and I understand the importance of the close links with Pakistan, particularly at a time when the British Pakistani community is doing so much for flood relief in that country. Does my hon. Friend agree that this would be a good time to get justice in this case?

Andrew Stephenson: My hon. Friend makes an excellent point. The crux of the matter is that many British Pakistanis hope to keep strong ties with Pakistan and visit the country for weddings, funerals and holidays. Many more who have founded successful businesses here in the UK look to Pakistan as an economy to invest in. It is worth noting that this Saturday our Foreign Secretary will join the Pakistani Foreign Secretary here in London to launch the British Pakistani Foundation, which seeks to encourage and support philanthropy among the British Pakistani diaspora.

British Pakistanis will simply not visit or invest their money in Pakistan if the law and order situation continues to deteriorate and the judicial process seems incapable of delivering justice. Such an outcome is certainly not in the interests of Pakistan. For British Pakistanis to have confidence in the future of that country, cases such as that of the Yousaf family must be dealt with in a swift and fair manner. I therefore urge the Minister to continue to do whatever he can to help get justice for the Yousaf family.

11.46 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): I begin by thanking my hon. Friend the Member for Pendle (Andrew Stephenson) for securing this debate. Although he arrived in Westminster only relatively recently, we all know that he has a long history of working on behalf of the local communities that now form his constituency. His persistence in following this harrowing case is a further example of how he puts their welfare at the forefront of everything he does. I also thank him for offering me the courtesy of a copy of his remarks before the debate, so that I could more properly answer the questions he put on behalf of his constituents. I would also like to thank the Minister of State, Department for International Development, my right hon. Friend the Member for Rutland and Melton (Mr Duncan), who has a keen interest in Pakistan, for his courtesy in attending the debate. That shows the Government's interest in and concern for these issues.

I shall not deal in detail with the two interventions of my hon. Friends the Members for Watford (Richard Harrington) and for Colne Valley (Jason McCartney), but I am happy to receive any further written representations on the points that they raised, which highlight the width of the issue and the depth of concern about the matters that my hon. Friend the Member for Pendle has raised.

My hon. Friend has described a horrific crime. Mohammad, Pervez and Tania—a father, mother and daughter—gunned down, far from home and on an occasion that should have been a cause for joy and celebration. It is hard to imagine the anguish that the Yousaf family has been through and it is impossible to overstate how much they want to see those responsible brought to justice. Any one of us would feel the same. The description of the scale of the brutality that we have heard about tonight leaves one wondering how anyone who calls himself a man could machine-gun a woman to death in such circumstances. There is no cultural or traditional justification for killings of this sort. First and foremost, then, I offer my heartfelt condolences and those of the Government to the Yousaf family.

When this Government came into office, we set out three priorities for the Foreign and Commonwealth Office. Safeguarding national security and building prosperity were two. The third is no less important—support for British nationals around the world. People expect us to be there and to help when they are at their most vulnerable. As the Minister responsible for south Asia, I am determined that we will fulfil that duty.

The Yousaf family have been persistent in their pursuit of justice. They have, I know, seen the Punjab Minister for Law when he visited the UK, and they have spoken to the Pakistani high commissioner in London. The family came to see me, as my hon. Friend said, in July to discuss the case. These are all important efforts and I commend them.

During the course of his remarks, my hon. Friend rightly asked what we have done as a result of that meeting. Our consular staff in Islamabad have remained in touch with the Pakistani police and have sought regular updates on their investigation. These updates have been passed to the family's police family liaison officer so that they can be given directly to the family. The fact that the police authorities in Pakistan are continually contacted underlines our continuing interest in the ongoing investigation and makes the Pakistani police aware of the continuing interest of the UK Government in the circumstances.

What can be done further to help? As my hon. Friend knows, in the days following the murders, consular staff both in London and Islamabad were in direct contact with the Yousaf family. They explained how the FCO can assist the family in terms of support and advice, but also our limitations with regard to the police investigation. Since then, the local police have been in regular contact with the family through a family liaison officer and our consular staff have passed messages to the family through that route.

As my hon. Friend mentioned, the Pakistani police have identified two suspects in the case, both of whom have absconded. Two other suspects have been bailed, and the case against them is now proceeding through the Pakistani justice system. At this stage, when there is an ongoing police investigation overseas, the main priority for us is to ensure that the family receive the information that they want and need as quickly as possible. Trying to gain access and to understand a foreign and unfamiliar system can be extremely distressing, but we can help to some degree. We can suggest the best ways for the family to raise any concerns with the local authorities. We can offer information about the local police system and the legal system. We can point the family in the direction of any legal aid that is available. Here in London, as soon as our consular staff obtain any new information from the Pakistani authorities, we will immediately pass it on to the family.

In any case of this kind, whether at home or abroad, the uncertainty and delay as an investigation proceeds are a source of huge frustration for the family of the victims. They want to see the killers of their loved ones caught and punished as quickly as possible. Again, none of us would feel any different. I know that the Yousaf family are deeply worried about the progress of the investigation into the murders, and want us to do all that we can to maintain pressure on the Pakistani authorities to deal with the case swiftly and decisively.

As my hon. Friend knows, our ability to act in individual cases is limited. I appreciate that he is asking—as are the family—what, if any, pressure we can put on the Pakistani authorities. The British Government cannot interfere in the judicial systems of other sovereign countries, just as we would not allow any interference in our own. Nor do the British police have jurisdiction. The investigation is the responsibility of the Pakistani police and judicial authorities. They will have their own methods of investigation, and their own local experience of similar cases. Difficult though it is for our consular staff, for all of us, and even more for the family, we cannot insist that the Pakistani police investigate this shocking crime in the same way as it might be investigated in the UK. We have no power to do so. Nor can we insist that the British police carry out a joint investigation with the local police.

In many countries, it is a fact that the judicial process takes much longer than in the United Kingdom. When that happens, we cannot insist that a case be handled more swiftly than normal; but we will make representations to the local authorities if we fear that an investigation is not being carried out in line with local procedures, or if there are justified complaints about discrimination. I

[Alistair Burt]

undertake here and now to my hon. Friend and to the family of Mohammad, Pervez and Tania that should there be such evidence in this investigation, our high commission in Islamabad will raise it with the Pakistani authorities.

Let me also say clearly that I will remain personally engaged in this case—as will my hon. Friend—will continue to follow it closely, and will become involved as and when I can appropriately do so in a manner that might be helpful. I have set out the support I believe that we can and should offer to the family. If any of them do not think that we are providing that support, I shall be pleased to be told about it, and my hon. Friend will tell me.

As was observed by my hon. Friend and others who have spoken tonight, this tragedy is not an isolated incident. That point was made very clearly and strongly to me by the family themselves when they came to see me. Perhaps that is one of the most worrying aspects of the case. It goes without saying that the vast majority of the many visits made each year to Pakistan by British nationals are entirely trouble-free, but over the years we have seen a number of British nationals die in suspicious circumstances in Pakistan, and there have been a number of violent assaults. Since October 2009, there have been nine murders of British nationals in Pakistan of which we are aware, in addition to those of Mohammad, Pervez and Tania. Indeed, there have been two similar cases since the Yousaf family's own tragic loss, with the deaths of four British nationals.

We cannot say for certain why these tragedies have happened, but there is some evidence to suggest that most have resulted from a family dispute about money, property or marriage. Nor, I should add, are they exclusive to Pakistan. In addition to the work on this particular case, I have asked officials in the Foreign and Commonwealth Office to consider how we can raise awareness of those recent incidents with the Pakistani community here in the United Kingdom. I will also speak to the Pakistan high commissioner, drawing his attention to the incidents and to my worries—and the worries of colleagues who have raised the issue in the House tonight—about their implications, and seeking his views on what, if anything, we can do to prevent such tragedies from happening again and how he and we can reassure families like the Yousafs that the Pakistani authorities will do all in their power to ensure that justice is done.

I mentioned at the start of my speech the two other priorities for the FCO: safeguarding national security and building prosperity. The British Government are committed to a long-term, productive and friendly partnership with Pakistan. Events in Pakistan have a direct impact on our national security and the safety of our citizens, including those of Pakistani heritage. We therefore have a strong interest in helping Pakistan to embed economic and democratic stability. This has been particularly evident in the light of the devastating floods that have hit the country. The UK has led the international response to the flooding, encouraging our international partners to commit support to help Pakistan meet the long-term challenges it faces, and securing European Union agreement to pursue a step change in its relationship with Pakistan, including through increased trade concessions.

All of this goes to show the strength of family relationships between this country and Pakistan, relationships which many Members have experienced, and continue to experience, in our constituencies. It also shows the importance of Pakistan to so many people in the country, and it shows the need for a sense of stability and security to be there in Pakistan for those who visit.

All Members of Parliament are concerned for the welfare of our constituents wherever they may be in the world. I can assure Members that consular staff worldwide share the same concern and desire to do their best for British nationals in need of their assistance. In this case—where none of us can fail to be moved—I again commend the work of my hon. Friend the Member for Pendle.

We continue to extend our deepest sympathy to the family of Mohammad, Pervez and Tania, and I hope I have made it clear that the remarks made in this debate are likely to go some distance tonight and to be heard by many people. If in any way they help to bring a sense of concern to the authorities who are dealing with the case, and if they raise awareness of the danger to some—although far from all—who visit Pakistan, my hon. Friend will have done a very good job. We will continue to do all we can to ensure that the most important outcome of the case—justice for the family and those who have been killed—is eventually achieved.

Question put and agreed to.

11.57 pm

House adjourned.

House of Commons

Wednesday 13 October 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

COMMITTEE OF SELECTION

Ordered,

That Helen Jones, Mr Frank Roy and Mr John Spellar be discharged from the Committee of Selection and Mr Alan Campbell, Mark Tami and David Wright be added. — *(Mr Randall.)*

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Transparency

1. **Andrew Selous** (South West Bedfordshire) (Con): What steps he is taking to increase the transparency of arrangements for distribution of overseas aid. [16515]

The Secretary of State for International Development (Mr Andrew Mitchell): The new UK aid transparency guarantee will deliver a step change in the transparency of British aid. Under the guarantee, we will publish full and detailed information on our projects and policies, strengthen accessibility and feedback, and press international partners to follow our lead.

Andrew Selous: Hard-pressed British taxpayers will be pleased to have heard what my right hon. Friend has said, but could he tell us how transparency will be assured for the fairly large part of the British aid budget that is spent through the United Nations, the World Bank and international development charities?

Mr Mitchell: My hon. Friend is right about this, because there are some 44 international and multilateral aid agencies through which we spend British taxpayers' money. All of them are being looked at under the multilateral aid review, which we set up immediately after this Government took office. The review will report by the end of January next year and we will decide upon our spending allocations in accordance with the results that we are achieving, which will be examined by that review.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Given the positive response to the annual report arising from the International Development (Reporting and Transparency) Act 2006, will the right hon. Gentleman use his influence to ensure that the report goes directly to Parliament and that we have an annual debate on the Floor of this House?

Mr Mitchell: The right hon. Gentleman has some credit for having masterminded and pioneered the Bill that became that Act through the House of Commons. He is right to underline the importance of the transparency that the Act ushered in and the importance of the House of Commons being able to discuss it, with Ministers being accountable to this House for that. So I can assure him that, through the usual channels, I will underline the point that he has made.

Malcolm Bruce (Gordon) (LD): The Select Committee on International Development warmly welcomes the Secretary of State's initiatives to make aid more transparent, and will co-operate with him and with Parliament to ensure that we give effective voice to that. Does he acknowledge that there are some concerns that ensuring that everything is transparent means that we might sacrifice longer-term, less measurable outcomes for shorter-term ones? Can he assure me and the Committee that that compromise will not undermine the effectiveness of British aid?

Mr Mitchell: As the Chairman of the Select Committee rightly says, transparency is about accountability not only to our own taxpayers in Britain, but for the people whom we are trying to help in the poor world; it is about enabling them to hold their own leaders to account. On the nature of evaluation, to which his question also referred, it is important that this should be about not only value for money and the accountancy-driven approach to that, but development expertise. As he says, a lot of development is very long-tailed, so we need to meld both those two streams of expertise together to achieve the right results.

Ms Harriet Harman (Camberwell and Peckham) (Lab): I thank the Secretary of State for yesterday's written statement on the UN millennium development goals summit, which highlighted the decision to record all the commitments made. Making sure that everyone can see and track the progress towards the MDGs is vital, because international effort is simply not enough right now. Those goals can be met, with the international will to do so. Following the summit, can he tell the House what further steps he and his Government colleagues will be taking to increase momentum?

Mr Mitchell: May I welcome the right hon. and learned Lady to her new position? I think I hold the record for having shadowed this portfolio for the longest time—five years—and I wish her every success in beating my record. The whole House knows of her passion for gender equality and I am sure that we will work well together on that. We put girls and women at the heart of development, and I look forward to progressing that policy with her. Frankly, we are delighted that someone so senior on the Labour Benches is now shadowing this portfolio.

As she said, the Secretary-General of the United Nations has set in train work to bring together all the commitments that were made by different countries at the summit. ECOSOC—the Economic and Social Council—which is the relevant body of the UN, will be monitoring this on an annual basis and we will ensure that other countries that have made commitments stand up for those commitments and fulfil them, just as Britain must fulfil its commitments.

Value for Money

2. **Joseph Johnson** (Orpington) (Con): What mechanisms are in place to monitor value for money derived from overseas aid; and if he will make a statement. [16516]

10. **Andrea Leadsom** (South Northamptonshire) (Con): What mechanisms are in place to monitor the value for money derived from overseas aid; and if he will make a statement. [16524]

The Secretary of State for International Development (Mr Andrew Mitchell): We are moving from a focus on inputs to a focus on outputs and outcomes—the results our money actually achieves. We will gain maximum value for money for every pound we spend through greater transparency, rigorous independent evaluation and an unremitting focus on results.

Joseph Johnson: Will the Secretary of State say what assessment he has made of value for money from the more than £2 billion that the Department has given to the International Development Association over the three years ending June 2011, indicating whether he intends to match past commitments in the next funding period—that is, the 16th replenishment of the IDA?

Mr Mitchell: My hon. Friend raises an important point about the next replenishment of the World Bank IDA funds. As I mentioned in answer to the last question, the multilateral aid review will be the body that looks at value for money. At the last replenishment—IDA15—as anyone who follows these things closely knows, Britain was the biggest contributor and that contribution was £2 billion. What I what from the next replenishment is for people to know to what extent we are getting clean water, sanitation, basic education and health care to the people at the end of the track, who do not have them in our world today.

Andrea Leadsom: Value for money is, of course, crucial, but there is another issue, which is getting the money to the front line once it has been allocated. Will my right hon. Friend explain what steps he will be taking to ensure that money gets to the front line, unlike in Haiti where, I gather, the vast bulk of aid that has been allocated has yet to reach the areas where it is needed most?

Mr Mitchell: My hon. Friend makes an important point about the effectiveness of emergency relief. There are undoubtedly lessons for us all to learn from what happened in Haiti. That is why I have set up an emergency review of the way in which Britain does emergency relief, which is being chaired by Lord Ashdown. That review will focus on all aspects of how Britain does relief and how we co-ordinated with the UN cluster system, and it will focus particularly on the importance of the immediacy of that relief, getting shelter, food and medicine through to people in such desperate circumstances.

Ann Clwyd (Cynon Valley) (Lab): How much money is spent on external consultants to monitor the effectiveness of British aid?

Mr Mitchell: Monitoring the effectiveness of British aid in the future will, at least in part, be done by external evaluation in the independent evaluation agency that we have set up. To some extent, evaluation should be built into all projects and into all the work that we are doing, and we are trying to ensure that that happens in the future.

Ms Margaret Ritchie (South Down) (SDLP): Given the success of the global development engagement fund, what steps will the Secretary of State take to reinstate that fund to ensure that the good work done in schools and communities throughout Britain and Northern Ireland can be continued?

Mr Mitchell: We are reviewing the way in which such development awareness work is done. I am looking specifically at trying to ensure that global citizenship is enshrined in the work that schools do. In general, however, I do not think that British taxpayers' hard-earned money meant for development should be spent in the UK. It should be spent helping the poorest in the world—those whom it is the intention of the House that we should be assisting.

Effectiveness of Delivery

3. **Guy Opperman** (Hexham) (Con): What steps he is taking to improve arrangements for monitoring the effectiveness of the delivery of overseas aid. [16517]

The Parliamentary Under-Secretary of State for International Development (Mr Stephen O'Brien): What really matters for the world's poorest is the development results they see on the ground. It is our duty to spend every pound of aid effectively. We will set out expected results for everything we do and monitor them carefully, working with our partners.

Guy Opperman: Following the Paris declaration and the subsequent decisions made in Accra in 2008, will the Secretary of State update us on the ability to harmonise the way forward for such donors' work, rather than being in a position in which that is not complementary, or involves cooking the books?

Mr O'Brien: My hon. Friend makes an important point. The commitments in the Paris declaration are based on the lessons learned in relation to improving the impact of aid, including having more focus on results while supporting partner countries' priorities, not least co-ordinating how various multilateral and bilateral donors come together. When I was in Uganda recently I was heartened to see our DFID office taking a leadership role in bringing multilateral donors together as part of the commitment following the Paris declaration and the Accra agenda thereafter.

Rushanara Ali (Bethnal Green and Bow) (Lab): Let me strongly endorse what the Secretary of State said at his party conference. He said that we have a

"duty to bring an end to the injustice of millions of children dying every year from drinking dirty water."

Will he reassure the House that he will reject the recent option presented to him by his Department to drop the vital commitments to help 25 million people to gain access to water and sanitation in Africa over the next

five years and to help 30 million people in south Asia by 2011? Will he reassure the House that that commitment still stands?

Mr O'Brien: First, may I take this opportunity warmly to welcome the hon. Lady to her new post and to congratulate her on it? I look forward to the numerous exchanges that we shall have in the House. She will be aware that we are reviewing all programmes, be they bilateral or multilateral. As we are focusing so much more on outcomes rather than inputs, I think that she can look forward positively to the likely result of the review, particularly in relation to water and sanitation. She is right that they are crucial, and I dare say that during the recent conference season, she, as much as I, was engaged with a number of those making representations to ensure that that emphasis is reflected in programmes as they come through the review of bilateral and multilateral aid.

Gaza

4. **Stephen Phillips** (Sleaford and North Hykeham) (Con): What steps he is taking to ensure that people in Gaza receive the humanitarian aid allocated by his Department. [16518]

The Minister of State, Department for International Development (Mr Alan Duncan): The humanitarian aid we provided to Gaza following Israel's Operation Cast Lead was disbursed through United Nations agencies and reputable non-governmental organisations with a proven track record of delivery. DFID officials regularly visit Gaza to monitor projects and we will carry out a formal assessment of what those projects have achieved early next year.

Stephen Phillips: I thank the Minister for that answer. The whole House is aware of the plight of the people of Gaza, who have effectively been imprisoned in their country by successive Israeli Governments in breach of United Nations resolutions. For that reason, aid is particularly important to the people in Gaza, but at the turn of the year we learned from the head of the United States mission to the United Nations that the United Nations Relief and Works Agency will be underfunded this year to the tune of $140 million. We are paying our share and the United States is paying hers; what steps is he taking to ensure that our other partners pay theirs?

Mr Duncan: My hon. Friend is absolutely right. UNRWA is facing a serious shortfall in its funding this year: our estimate is that it is currently about $80 million. I met Filippo Grandi, the head of UNRWA in New York, two weeks ago. We are doing our best to urge people to contribute and we will do our bit as well. We hope also to talk to potential Arab donors to assist in making good the shortfall.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The very welcome increase in aid and economic activity in Gaza is due partly to the co-operation between Israel and the Palestinian Authority. Is Hamas jeopardising further progress?

Mr Duncan: The hon. Lady will know that we have no dealings with Hamas, but I am afraid that her interpretation of what is going on in Gaza is not entirely accurate. There are still very severe restrictions in the movement of goods, and we are doing our utmost to urge the Israelis to make more and simpler access possible, especially for products that are necessary for the long overdue reconstruction.

Dr Julian Huppert (Cambridge) (LD): Is the right hon. Gentleman aware that the Gaza blockade is currently preventing UNRWA from building eight urgently needed schools in order to teach thousands of children? Money for the schools has already been provided by international donors and the plans are there, but access to cement and steel bars is not. Will he take urgent steps to make sure that those schools can go ahead for the new school year?

Mr Duncan: My hon. Friend is largely correct. Although it is true that some building materials are getting through to multilateral organisations, they certainly are not getting through to private citizens—for the building of houses for example. Schools must be rebuilt, and we certainly urge the Israelis to ensure that any materials that can be used for the essential reconstruction of schools and the like can be allowed through.

UK-Israeli Co-operation

5. **Mr Michael McCann** (East Kilbride, Strathaven and Lesmahagow) (Lab): What recent assessment he has made of the effectiveness of UK-Israeli co-operation on international development. [16519]

The Minister of State, Department for International Development (Mr Alan Duncan): Israel's international development agency, Mashav, which is part of the Ministry of Foreign Affairs, has a small programme focusing on sharing technical knowledge and humanitarian aid. Mashav operates in a number of countries, including, within the region, Jordan and Egypt, but not in the occupied Palestinian territories. The UK currently has no direct co-operation with Israel on international development. We hope that Israel, having recently become a member of the OECD, will consider joining the OECD's development assistance committee, which verifies the validity of its aid.

Mr McCann: Given the Israeli President's offer at the United Nations to share its scientific innovations to help to tackle global poverty, as well as its recent membership of the OECD, will the Government be sending a delegate to the forthcoming OECD conference in Jerusalem? If not, why not?

Mr Duncan: We will certainly, in the normal way, consider the suggestion that the hon. Gentleman has made, and look at it very seriously indeed.

Poor Countries

6. **Mr Philip Hollobone** (Kettering) (Con): How much each of the three poorest countries in receipt of aid from his Department received in such aid in the last 12 months for which figures are available. [16520]

The Parliamentary Under-Secretary of State for International Development (Mr Stephen O'Brien): In 2009-10, the Department for International Development provided £13 million of bilateral aid to Burundi, £12 million

to Liberia and £109 million to the Democratic Republic of the Congo. Those figures were published in "Statistics on International Development" on 7 October. I will place a copy in the House of Commons Library. *[Interruption.]*

Mr Speaker: Order. There are far too many private conversations taking place in the Chamber. I want to hear the question from Mr Philip Hollobone.

Mr Hollobone: Taxpayers in the Kettering constituency would like to know what steps my hon. Friend is taking to ensure that the poorest, most deserving countries receive most British aid, where British aid can make the biggest difference. Will he please tell them?

Mr O'Brien: I am grateful to my hon. Friend because he makes an important point, not least following the recent Institute of Development Studies report, which states that the bottom billion reside as much in middle-income countries as in low-income countries. However, the key for us, as we go through our bilateral and multilateral aid review, is to measure and to design programmes that will carry the highest impact. The poorest countries of the world are where we can make the most impact with well-designed programmes and with great transparency, monitoring and evaluation.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): If we are to meet our commitments, not just to the poorest countries but to the developing world as a whole, we must reach the 0.7% aid target by 2013. Will the Minister assure the House that he and the Secretary of State will fight to ensure that the comprehensive spending review means year-on-year progress to the 2013 target? We have asked before, but can he now tell us when the Government will introduce legislation to make the target binding?

Mr O'Brien: First, may I take this opportunity to welcome the hon. Gentleman to his post and congratulate him on his appointment? We are committed to ensuring not only that we get to 0.7%, but that we introduce legislation as and when we have had the opportunity to finalise the work on it. He can be assured that, as we run up to the CSR announcement, he should have, I hope, something to look forward to. However, he will have to wait for the precise details at that time and during the days immediately thereafter.

Mr James Clappison (Hertsmere) (Con): Is the Minister concerned by how little of the aid that we spend through the EU goes to the poorest countries in the world, given that less than half the EU aid budget goes to lower-income countries and that some of the largest recipients of EU aid are countries that we would not normally consider poor? Could we not get more money to poorer people and poorer countries if we spent through our own Department, rather than through the EU?

Mr O'Brien: I thank my hon. Friend for his important question, because a considerable amount of our aid budget does indeed go through the EU. However, that is as subject to the multilateral aid review as any other part of our programme. The question that he raises will be closely examined during that process. Indeed, I shall be going to meet like-minded European Ministers later today and spending time in Brussels on Friday, so I will be able to take his message directly to those who are engaged in that programme.

Sri Lanka

7. **Heidi Alexander** (Lewisham East) (Lab): What recent assessment he had made of the effectiveness of his Department's projects to support internally displaced people in Sri Lanka. [16521]

The Minister of State, Department for International Development (Mr Alan Duncan): DFID has no direct bilateral development programmes with Sri Lanka. However, over the past two years we have committed £13.5 million to humanitarian funding, all through the UN, the Red Cross and NGOs, to target conflict-affected civilians and displaced persons. Our humanitarian programme has been effective and made a significant difference to thousands of Sri Lankan families.

Heidi Alexander: As a Member with a large Tamil community in my constituency, I am repeatedly approached by my constituents who are struggling to locate loved ones displaced as a result of the conflict in Sri Lanka. What recent discussions has the Minister had with the Sri Lankan Government about these matters, and what reassurance can I give to my constituents that the UK Government are doing all they can to assist members of the Tamil diaspora in their attempts to find their friends and families?

Mr Duncan: We work closely with the Foreign Office, and Ministers in both Departments are speaking to the Sri Lankans about that matter. Some 270,000 displaced people were released or returned to their homes. There are now only about 30,000 remaining in camps. There is access to most of these, except where the camps contain about 7,500 former combatants.

Millennium Development Goals

8. **Claire Perry** (Devizes) (Con): What assessment he made of the outcomes of the recent UN millennium development goals summit in New York. [16522]

The Secretary of State for International Development (Mr Andrew Mitchell): The summit in New York achieved real progress and resulted in global commitments to save 16 million women and children, reverse the spread of malaria and tackle hunger and under-nutrition. The UK's leadership, and in particular the Government's commitments on aid and results, was noted by all our international partners.

Claire Perry: My right hon. Friend mentioned malaria. I am sure he is aware that today 4,000 people in the world will die from that disease, 75% of them under the age of five. Can he please assure the House that he is putting malaria prevention and treatment at the heart of his Department's programmes?

Mr Mitchell: The fight against malaria will be included in every bilateral programme where it is relevant as a part of the bilateral aid review, but I can tell my hon. Friend—*[Interruption.]* My comments on the fight against malaria do not usually get such a warm reaction from the House. Britain is committed to halving the number of malaria deaths in 10 African countries by 2015.

Mr Gregory Campbell (East Londonderry) (DUP): What steps will be put in place to monitor the outcome of the summit and ensure that year on year we try to reach the targets set through the summit?

Mr Mitchell: The hon. Gentleman is right. It is extremely important that people should be held to their commitments. That is why the Secretary-General is pulling together all the commitments that were made at the summit, and why every year ECOSOC will make sure that we have an assessment of the extent to which those commitments have been met.

Yemen

9. **Graham Evans** (Weaver Vale) (Con): What recent assessment he made of the effectiveness of projects funded by his Department in Yemen. [16523]

The Minister of State, Department for International Development (Mr Alan Duncan): I saw for myself— *[Interruption.]*

Mr Speaker: Order. I understand that the House is in an excitable state. That is perfectly proper, but the mellifluous tones of the Minister of State deserve a better audience.

Mr Duncan: I saw for myself the challenges faced in Yemen and the impact of DFID's programmes when I visited in July. I was also encouraged by the outcomes of the recent Friends of Yemen meeting in New York chaired by my right hon. Friend the Foreign Secretary.

Graham Evans: Given the strategic importance of Yemen in the fight against terrorism, can my right hon. Friend give me an update on his conversations with his counterparts in other nations to support Yemen?

Mr Duncan: The Friends of Yemen process to which I referred, chaired jointly by my right hon. Friend and by the Saudis and the Yemenis, took some important steps in confirming that they would implement an International Monetary Fund programme. There is, however, a deteriorating security situation and it is essential that we do our utmost to make sure that Yemen does not become a failed state.

Keith Vaz (Leicester East) (Lab): I warmly welcome the Minister's recent visit to Yemen, continuing the good work that was done by the previous Government. Will he assure us that despite recent events, including the attempted assassination of the deputy ambassador, we will continue to fund projects in that crucial middle eastern country?

Mr Duncan: I agree with the right hon. Gentleman. Nothing could be more important than spending money now to stop Yemen failing, as the costs and the danger that would follow if it were to fail would be a massive multiple of anything we might do now. It is a serious priority for the Foreign Office, for my Department and for the coalition Government.

Pakistan

11. **Mr William Bain** (Glasgow North East) (Lab): What discussions he has had with international organisations on relief and reconstruction following the floods in Pakistan. [16525]

The Secretary of State for International Development (Mr Andrew Mitchell): The situation in Pakistan remains extremely difficult. In some areas of the country early recovery is beginning, while in other areas emergency relief is still needed, particularly in Sindh province. My Department continues to monitor the situation closely to identify and deliver aid appropriately.

Mr Bain: A new report by the World Bank and the Asian Development Bank estimates the losses in crops, property and infrastructure caused by the floods to amount to $9.5 billion. Will the Government continue to make representations to the International Monetary Fund and to the World Bank to increase the assistance available for the reconstruction of Pakistan?

Mr Mitchell: First, I congratulate the hon. Gentleman on his elevation to the post of shadow Environment Minister. Secondly, I assure him that we will continue to lead from the front on Pakistan. In particular, in respect of food security, crops and livestock, which he mentioned, we have made a specific intervention with the recent announcement of £70 million of emergency aid for Pakistan.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [16430] **Mr David Evennett** (Bexleyheath and Crayford) (Con): If he will list his official engagements for Wednesday 13 October.

The Prime Minister (Mr David Cameron): I am sure that the whole House will wish to join me in paying tribute to those soldiers who have been killed in Afghanistan in the past few weeks. They were Sergeant Andrew Jones of the Royal Engineers and Trooper Andrew Howarth of the Queen's Royal Lancers, who died on 18 September; Corporal Matthew Thomas from the Royal Electrical and Mechanical Engineers, who died on 25 September; Rifleman Suraj Gurung from 1st Battalion the Royal Gurkha Rifles, who died on 2 October; and Sergeant Peter Rayner from 2nd Battalion the Duke of Lancaster's Regiment, who died on 8 October. They were incredibly courageous and selfless individuals who gave their lives in the service of our country and for the safety of the British people, and we should send our deepest condolences to their families and to their loved ones.

In the weeks since the House last met, UK forces have completed the latest stage of restructuring in Helmand province. There are now more than 8,000 UK troops and 20,000 American troops there. We now protect one third of the Helmand population, and in my view that is the right proportion.

I am sure that the whole House will want to join me in paying tribute to Brigadier Richard Felton and the troops of 4 Mechanised Brigade for their commitment and sacrifice over the past six months. They have done an outstanding job, and I am sure that 16 Air Assault Brigade, which took over command on 10 October, will carry on that effort.

The House will also wish to join me in sending our sincere condolences to the family of Linda Norgrove, who died late on Friday evening. She was a dedicated professional doing a job that she loved in a country that she loved.

Finally—and I am sorry for the long opening of my remarks—I am sure that everyone would like me, on their behalf, to send our best wishes to the President and people of Chile, as they celebrate the trapped miners coming to the surface. We can see the glorious pictures on our television screens.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr Evennett: I associate myself with the Prime Minister's expressions of condolence and sympathy.

Will my right hon. Friend join me in congratulating Opposition Members on their choice of leader—even though he is not on the Front Bench and did not win? Has the outcome of that election changed my right hon. Friend's assessment of the effectiveness of the alternative vote system?

The Prime Minister: I thank my hon. Friend for that question. It was good to see the alternative vote in practice, if I can put it that way, although of course, to be fair to my colleagues on the Government Benches, when it comes to the referendum the trade unions will not have quite such a large involvement.

I should like to take this opportunity to congratulate the right hon. Member for Doncaster North (Edward Miliband). It is an important job that he does, calling the Government to account and standing up for Opposition Members. I am sure that there will be many times when we can work together on issues of national interest, such as on Afghanistan, which I was just talking about. I hope that he will not mind me saying that, as well as wishing him well, I hope that he does the job for many, many years to come.

Edward Miliband (Doncaster North) (Lab): May I start by thanking the Prime Minister for his kind words just then, and for the kind words that he gave to me when I was elected leader of the Labour party? As he said, there will be issues on which we can work constructively, including on Afghanistan.

I join him in paying tribute to our troops who have died in Afghanistan. They were Sergeant Andrew Jones of the Royal Engineers and Trooper Andrew Howarth of the Queen's Royal Lancers, who died on 18 September; Corporal Matthew Thomas from the Royal Electrical and Mechanical Engineers, who died on 25 September, Rifleman Suraj Gurung from 1st Battalion the Royal Gurkha Rifles, who died on 2 October and Sergeant Peter Rayner from 2nd Battalion the Duke of Lancaster's Regiment, who died on 8 October. Each of them showed the highest dedication, commitment and bravery. We honour their memory and pass deep condolences to their families.

We also honour Linda Norgrove, who died doing a simple job trying to make the lives of people in Afghanistan better—a necessary part of any political settlement. She too showed immense bravery. May I say to the Prime Minister that we fully support the decision the Foreign Secretary took to authorise her rescue? We must always make it clear from all parts of this House that responsibility for her death lies solely and squarely with those who took her hostage. May I ask the Prime Minister to update the House on his phone call with President Obama about the circumstances surrounding Linda Norgrove's death and the progress on the inquiry into those circumstances?

The Prime Minister: I am grateful for what the right hon. Gentleman says and the way that he says it, both about our troops and about the tragic case of Linda Norgrove. As he knows, I spoke to President Obama to stress the point that we think it is extremely important that this is a joint US and UK investigation. I do not think there are any further details I can give about what happened that night—the picture is still unclear—but it was right, I think, to correct the early information, which most likely was wrong, about how Linda died. This investigation is now under way. When there is new information to bring to the House, we will bring it to the House. Most important of all, though, is to keep the family informed at every stage. I will meet General Petraeus tomorrow to discuss this further. I particularly want to echo what the right hon. Gentleman says about the responsibility for this. It is an impossibly difficult decision to make about whether to launch a raid and try to free a hostage. In the end we must all be clear: the responsibility for Linda's death lies with those cowardly, ruthless people who took her hostage in the first place.

Edward Miliband: I thank the Prime Minister for that answer and for undertaking to keep the House informed. He has our full support on the issue.

Let me turn to the issue of benefits and say to the Prime Minister that we will work with him on his reforms to disability living allowance and to sickness benefits, because they are important reforms and they need to be done. On child benefit, though, I think that those on his own Benches and the country at large do have concerns. May I ask him, first, how many families where one parent stays at home will be affected by the changes that he has proposed to child benefit?

The Prime Minister: In terms of the number of families who will be affected, higher-rate tax is paid by 15% of taxpayers, and the decision that we have taken is to say that child benefit should not be received by families where there is a higher-rate taxpayer. I accept that this is a difficult choice, but the fact is—

Mr Dennis Skinner (Bolsover) (Lab): How many?

The Prime Minister: I have answered the question, "How many?" The answer is that 15% of taxpayers are higher-rate taxpayers. This is a difficult choice, because as we deal with the deficit we have to ask better-off people to bear their share of the burden. The fact is that today we spend £1 billion giving money through child benefit to relatively better-off homes. We think that has to change, and I have to ask the right hon. Gentleman why he thinks that that is not the case.

Edward Miliband: I may be new to this game, but I think that I ask the questions and the Prime Minister should answer them.

I am afraid that that the Prime Minister did not provide an answer to the specific question I asked. By my reckoning, there are hundreds of thousands of families where one parent stays at home, and the question they are asking is this: why should a family on £45,000 where

one person stays at home lose their child benefit—£1,000, £2,000, £3,000 a year—but a family on £80,000 where both partners in the couple are working should keep their child benefit? That does not strike people as fair, and it does not strike me as fair: does it strike the Prime Minister as fair?

The Prime Minister: What I believe is fair is asking better-off people to make a contribution to reducing the deficit. Let me try putting it this way to the right hon. Gentleman—think about it like this: there are thousands of people in his constituency earning one sixth of what he earns. Through their taxes, they will be paying for his child benefit. Is that really fair?

Edward Miliband: I am afraid it is nought out of two on straight answers. We should try to change the tone of these exchanges, but the Prime Minister must provide straight answers to straight questions that I ask him. I am not defending the rich—*[Interruption.]*

Mr Speaker: Order. The Leader of the Opposition will be heard, and if there are colleagues chuntering away who then hope to catch the eye of the Chair, I am afraid they are deluded.

Edward Miliband: I am defending the deputy head teacher in her primary school and the police inspector, who are asking a simple question. The Prime Minister used to agree with me. Before the election he went to Bolton, in an event that I gather was called "Cameron Direct", and he said:

"I'm not going to flannel you: I'm going to give it to you straight. I like child benefit. . . I wouldn't change child benefit, I wouldn't means test it, I don't think that's a good idea."

I agree with the Prime Minister: why doesn't he?

The Prime Minister: The problem that the right hon. Gentleman has to face up to is that he left us the biggest budget deficit in the G20, and he has absolutely no proposals to deal with it. He opposes our changes on housing benefit, yes? You oppose those? He opposes our changes on a benefit cap—*[Interruption.]*

Mr Speaker: Order. Just as the Leader of the Opposition must be heard, so must the Prime Minister.

The Prime Minister: The right hon. Gentleman opposes our changes on a benefit cap, yes? Just nod. And he opposes our changes on child benefit. He quoted something to me; let me quote him something back:

"We have to be frank with people and show our mettle. In times of plenty, giving child benefit to high earners is a luxury the country"

cannot afford. That was Alan Milburn, someone who cared—*[Interruption.]* Ah, he's gone. I love this—all the Labour politicians who used to win elections have been thrown out of the window. The right hon. Gentleman has to face up to the truth. We have a big budget deficit, and we have to ask better-off people to make their contribution. We say higher earners should not get child benefit. Their child benefit is being paid for by some of the poorest people in our country, and it is about time he protected them.

Edward Miliband: I really want the Prime Minister to face up to the scale of the changes he is proposing, and I say to right hon. and hon. Members on the Government Benches that they should face up to the scale of the loss. Take a family on £33,000 after tax. If they have three kids, they will be losing £2,500 as a result of these changes. That is the equivalent of 6p on the basic rate of income tax. That is an enormous loss that the Prime Minister is inflicting on a particular group in the population. If he wants to take people with him on deficit reduction, he has to show that his changes are fair and reasonable. I come back to this point: I do not believe his changes are fair and reasonable—does he?

The Prime Minister: I do not think it is fair for the poorest constituents in the right hon. Gentleman's constituency to contribute to his child benefit. That is what he is asking them to do. Let me remind him of something he said in July, which was that

"whoever is the Labour leader will, by the time of the spending review, have to show that they have an alternative plan".

Where is the alternative plan? That was a speech he made to an organisation called Left Foot Forward. Could I suggest that he put both his left feet forward and tell us what the plan is?

Edward Miliband: The truth is, as the whole country will have heard—*[Interruption.]*

Mr Speaker: Order. People should stop shouting. The public hate it, it is bad for politics and it should not happen.

Edward Miliband: The truth is that the Prime Minister has no defence of that policy. He cannot explain to families up and down the country why they will sustain that loss. I see the Chancellor sitting there. Let us be honest: the policy has been a shambles from day one. The rest of the Cabinet knew nothing about it, and the Local Government Secretary said he found out from the media that it would be announced. The Children's Minister, whom I cannot see in the Chamber, went on the run because he was too scared to defend the policy. I bet the Prime Minister wishes the BBC blackout had gone ahead, given that his conference was such a shambles.

On child benefit, is it not time that the Prime Minister had the grown-up sense to admit that he has got it wrong and that he has made the wrong decision? He should tell middle-income families up and down Britain that he will think again.

The Prime Minister: The right hon. Gentleman has suddenly discovered middle-income families. We are now hearing about the squeezed middle, but who squeezed the middle? Who doubled the council tax and put up tax 122 times, and who taxed the pensions, the petrol, the marriages and the mortgages? Suddenly, having done all that to middle-income earners, Labour wants to stand up for them. That is a completely transparent political strategy to cover up the inconvenient truth that he was put where he is by the trade union movement. It is short-term tactics and political positioning: it is not red, it is Brown.

Q2. [16431] **Chris Heaton-Harris** (Daventry) (Con): As vice-chairman of the parliamentary football club and a qualified football referee, I am well aware that there are just 50 days left before FIFA makes its momentous decision on the location of the 2018 World cup. Will the Prime Minister join me in supporting the English bid, which is in the interests not only of football, but of the entire country?

The Prime Minister: I thank my hon. Friend for his question. I am sure the whole country, and indeed everyone in the House, will want to get behind our bid for the 2018 World cup. I think we can launch and run an incredible World cup. We have the best fans, the best teams and the best stadiums, but above all this country has the biggest enthusiasm for football. We can make it a success for Britain and for the world.

I should also like to welcome Sepp Blatter, the president of FIFA, who will be coming to No. 10 Downing street after Prime Minister's questions. Indeed, he is in the House of Commons today. I would like to reassure him on everyone's behalf that behaviour in this House is always worse than behaviour either on the pitch or on the terraces.

Mr Speaker: This is my cue for saying that the House must now calm down.

Mr Nigel Dodds (Belfast North) (DUP): It is sometimes easy to forget how far Northern Ireland has come in recent years, but there are still immense challenges to stability. In the light of discussions with the Chancellor on the part of the Northern Ireland Executive and the recent visit by the Deputy Prime Minister, can the Prime Minister confirm today that he will stand by the formal guarantees given to the Executive at the time of the restoration of devolution, especially in relation to the financial package and capital investment stretching through to 2018? Those are critical matters if we are to establish and embed devolution in Northern Ireland in a power-sharing Executive.

The Prime Minister: The right hon. Gentleman makes very good points on how far Northern Ireland has come. Everyone on both sides of the House wants to continue that process, make the institutions work and embed the peace that we have achieved in Northern Ireland. I pay tribute to my predecessors, who put so much hard work into that.

On the specific issues, the previous Prime Minister made a series of promises, particularly about policing and justice in Northern Ireland, which we discussed when we were the Opposition. We stand by those promises. On the Presbyterian Mutual Society and a group of people who did lose money in the financial crunch—I know how angry it can make people in Northern Ireland when people say, "Nobody lost money", because they did—we are working very hard to try to find a fair and equitable solution.

Q3. [16432] **Mr Robert Buckland** (South Swindon) (Con): Does the Prime Minister agree with the previous Government's policy of part privatisation of Royal Mail? Will he urge those on both sides of the House to work together to help to revitalise that great British institution?

The Prime Minister: I am grateful for what my hon. Friend says. The fact is that Royal Mail is a business that has falling volumes of mail and a £10 billion pension fund deficit, and it badly needs investment, modernisation and change right now. The last Labour Secretary of State supported such reform, the Conservative party supports that reform and the Business Secretary supports that reform, and we are publishing the Bill today, which includes a minimum of 10% employee share ownership and participation in this important move. I hope that the Opposition will not turn their backs on the future, but will back this change, rather than stepping back into their comfort zone.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): We were all deeply saddened, especially in the Hebridean community, by the death at the weekend of Linda Norgrove, the aid worker from the Isle of Lewis. It was welcome that the Prime Minister took time to speak to her father on Monday. The family have asked me to convey that they are pleased that the US Administration corrected accounts of the events surrounding her attempted rescue and did not attempt to sweep information under the carpet. At a difficult time, the family are grateful for that openness, as they are for the care and support of the wider community in Uig at this time of grief. As Linda's remains are expected to arrive in the UK this week, may I ask the Prime Minister that if the family need any help, independent or otherwise, in coming to a true understanding of what happened to their daughter in Afghanistan, they will receive it?

The Prime Minister: I thank the hon. Gentleman for his question and the way in which he put it. Linda's family must have all the help that they need, and I have said that we will do anything that we can to help them and get them any information that they need. Tragically, nothing will bring Linda—that wonderful daughter who led an incredible life—back, but it can help to get all the information about what happened. The British ambassador to Afghanistan, William Patey, has met the family and will meet them again. Along with others, I hope that he can give them information on the background of what happened and why so that they, and the community that the hon. Gentleman mentioned, can try to find some closure to this terrible episode.

Q4. [16433] **Esther McVey** (Wirral West) (Con): Lord Adonis said that a pure graduate tax would be unworkable and a catastrophe. Will the Prime Minister take the advice of the shadow Chancellor, who said:

"Oh, and for goodness' sake, don't pursue a graduate tax."?

The Prime Minister: I thank my hon. Friend and she is right. We looked at this policy carefully over the summer—I am glad to see that the shadow Chancellor is laughing. I gather that at a lively shadow Cabinet meeting they could not agree on their policy. We looked at this in detail, and a pure graduate tax does not work. I recommend to the Opposition the document "Why not a Pure Graduate Tax?", published by the Department for Education and Skills under the previous Government. It points out that

"there is no guarantee universities would receive the additional funding raised. There would be no direct relationship between what the student paid and the…value…of their course."

A graduate tax would put up the deficit as it would not break even until 2041. It is a completely flawed policy, totally unworkable and expensive. As a first choice of policy to go out on, it is a complete disaster.

Q5. [16434] **Mr Jim Cunningham** (Coventry South) (Lab): Can the Prime Minister confirm that he will retain the winter fuel allowance without any changes to the criteria?

The Prime Minister: I am extremely sorry, but I did not catch the hon. Gentleman's question. I will either write to him—*[Interruption.]* Short questions are a very good thing, but I am afraid that I missed it. Is it in order for him to have another go?

Mr Speaker: If it was not heard, let us hear it.

Mr Cunningham: Will the Prime Minister retain the winter fuel allowance without any changes to the criteria used?

The Prime Minister: I made a very clear promise at the election and I stand by that.

Q6. [16435] **Roger Williams** (Brecon and Radnorshire) (LD): This year, four British scientists have gained Nobel prizes, confirming their position in the premier league of world science. The comprehensive spending review gives an opportunity to identify areas for investment as well as reducing costs. Does the Prime Minister agree that, with the US, Germany, France and other countries increasing their expenditure on science, it would be prudent for Britain to do likewise?

The Prime Minister: It is vital that we retain a good science budget and invest in our science base, but I cannot hide from the hon. Gentleman—or anyone in this House—the fact that we inherited a budget deficit of £155 billion. *[Interruption.]* I know that the Opposition do not like hearing it, but it is the truth. Those are the facts, and we have to deal with that. We will do what we can to ensure that as we go through this process we help to keep science and scientists in this country. That is what we must do, but it is very difficult to make all areas immune from the spending reductions forced on us by the complete incompetence of the people now sitting on the Opposition Benches.

Q7. [16436] **Ian Austin** (Dudley North) (Lab): In the past two years, Britain's cold weather payments were increased to £25, but the small print of this year's legislation does not contain that guarantee. Is the Prime Minister really saying that 4 million of Britain's poorest families and pensioners will have their payments cut by two thirds and receive just £8.50 this year?

The Prime Minister: The hon. Gentleman will know, as he worked closely with the previous Prime Minister, that there was never a guarantee about the scheme. We will look at it carefully and make our announcement in the spending review. *[Interruption.]* He asked a question; he might wait for the answer. He will have an announcement in the spending review.

Q13. [16442] **Margot James** (Stourbridge) (Con): Clare Rayner, the president of the Patients Association, sadly died yesterday. Her final words were a warning to the Prime Minister that if he screws up the NHS she is going to come back and haunt him. With the enormity of the financial crisis becoming ever clearer and the comprehensive spending review getting closer, can the Prime Minister reassure the House that we will honour our commitment to spend more on the NHS and improve outcomes to match the best in Europe?

The Prime Minister: I am grateful for what my hon. Friend says. I was brought up listening to Dr Rayner on Capital Radio, and I would never want to do anything to upset her or her memory. The House will know that we have protected the national health service and will invest in it, unlike the Opposition, who proposed to cut it.

Q8. [16437] **Dr William McCrea** (South Antrim) (DUP): The Prime Minister is aware that many small Presbyterian Mutual Society savers are at wits' end corner. When do we expect to have a satisfactory conclusion to this whole issue, and will he assure the House that the Government will recognise the danger of a double-dip recession in Northern Ireland when the Chancellor makes his speech next week?

The Prime Minister: I know that the hon. Gentleman knows how difficult this issue with the PMS is. Achieving a fair resolution is not easy. I believe that we will have it done by the announcement of the spending review on 20 October. That is our goal. An announcement will be made, and he will be able to explain to his constituents what we are going to do.

Q12. [16441] **Sajid Javid** (Bromsgrove) (Con): This past summer, my constituents in Bromsgrove have had to endure Travellers trespassing on their land, vandalising it and causing thousands of pounds of damage. Will my right hon. Friend consider bringing forward legislation to create a new offence of intentional trespass, so that people who go on to land without the owner's permission can be prosecuted without the need for a court order?

The Prime Minister: We will certainly look at the issue. The basic point is that this is an issue of fairness. If everyone else in the country has to obey planning laws, that should be the same for the Traveller community as well. We should have one law that everybody obeys. That is what we will aim for, and we will look at the proposal that my hon. Friend makes.

Q9. [16438] **Kevin Brennan** (Cardiff West) (Lab): When the Prime Minister did the deal with the Deputy Prime Minister on the coalition, was it sealed with a traditional gentleman's handshake or was there some kind of written pledge involved? If a written pledge was involved, why does the Prime Minister think that the Deputy Prime Minister is any more likely to honour his pledge to him than he was to honour the pledge that he gave to students and their families in this country?

The Prime Minister: What we fundamentally agreed between us was that it was going to take two parties to dig the country out of the mess that the hon. Gentleman's party left us in.

Q10. [16439] **Paul Uppal** (Wolverhampton South West) (Con): One of the most short-sighted mistakes of the previous Labour Government was the repeal of business rate relief on empty commercial property. What measures can the Prime Minister take to reverse that decision or at least have a moratorium, to give a boost to regeneration, investment and business in the urban west midlands and my constituency of Wolverhampton South West?

The Prime Minister: I am afraid that I have to disappoint my hon. Friend a little bit. This was a bad tax. Properties were being left empty not because business people chose to do that; they were being left empty because of the recession. However, we are not in a position, with this massive budget deficit, where we can undo all the bad things done in one go. What we have focused on is getting a lower rate of corporation tax, cutting national insurance on new businesses and giving small business rate relief. Those are all things that will help to get our economy growing. As evidence of that, we can welcome today's fall in unemployment figures and the growth in employment that we have seen over the past three months.

Joan Ruddock (Lewisham, Deptford) (Lab): After years of falling as a result of Labour policies, unemployment in my constituency rose by 80% during the global recession. Will the Prime Minister therefore explain why his Government are going to close the only jobcentre in my constituency?

The Prime Minister: I want to take the right hon. Lady up on the way in which she put her question. She talked about falling unemployment under Labour, but omitted to point out that it rose under Labour in the past three years. What matters is helping people back into work, and what she will see with the Work programme is the biggest, boldest effort to get people out of benefits and into work that this country has ever seen.

Q11. [16440] **Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): My constituents very much welcome the fact that the Prime Minister is leading by example in these difficult economic times by taking a 5% reduction in his prime ministerial salary. Is he aware that the chief executive of Suffolk county council is paid a salary of £220,000 a year? Will he join me in calling on her and other senior public sector managers to set an example through leadership by taking a reduction in their salaries, especially given the fact that they are paid 15 or 20 times more than front-line public sector workers?

The Prime Minister: My hon. Friend makes an extremely good point. It is right to have complete transparency in pay levels throughout the public sector. For the first time in a long time, we have been able to find out what all these people are being paid and, as a result, there is downward pressure and better value for money throughout local government. I think that this revolution in transparency should continue.

BILL PRESENTED

POSTAL SERVICES BILL

Presentation and First Reading (Standing Order No. 57)

Secretary Vince Cable, supported by the Prime Minister, the Deputy Prime Minister, Mr Chancellor of the Exchequer, Mrs Secretary May, Mr Secretary Paterson, Secretary Michael Moore, Mrs Secretary Gillan, Mr David Willetts, Mr Edward Davey and Mr Edward Vaizey, presented a Bill to make provision for the restructuring of the Royal Mail group and about the Royal Mail Pension Plan; to make new provision about the regulation of postal services, including provision for a special administration regime; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow; and to be printed (Bill 78) with explanatory notes (Bill 78-EN).

Public Houses and Private Members' Clubs (Smoking) Bill

Motion for leave to bring in a Bill (Standing Order No. 23)

12.32 pm

Mr David Nuttall (Bury North) (Con): I beg to move,

That leave be given to bring in a Bill to exempt public houses and private members' clubs from the requirements of part 1 of the Health Act 2006 relating to smoke-free premises; and for connected purposes.

Let me first declare an interest, in that I am a member of the Salisbury Conservative club in Bury, which is a private members' club. In common, no doubt, with many right hon. and hon. Members on both sides of the House, I also visit public houses from time to time. I must also declare at the outset that I am a devout non-smoker. I have never smoked, and indeed I would encourage others not to start smoking. I would also encourage those who do smoke to stop. I am entirely persuaded that smoking can cause potentially fatal diseases. That said, however, smoking remains entirely legal, and the Treasury benefits by many billions of pounds each year from excise duties and VAT on the sale of tobacco products.

It is now more than three years since the outright prohibition on smoking in public places was introduced on 1 July 2007. Since that time, the ban has been widely accepted in most areas. Although there are arguments for it to be completely repealed, this Bill aims to deal with what has perhaps been the most contentious aspect of the ban—namely, its application to public houses and private members' clubs. This Bill would exempt such premises from part 1 of the Health Act 2006 and allow them to reintroduce a smoking room if those in charge chose to do so. Smoking would be permitted in a separate room, provided that appropriate and effective air extraction equipment was fitted. Smoking would continue to be prohibited where food was being served.

In considering this motion, it is worth recalling that the Labour party's 2005 manifesto stated that

"all restaurants will be smoke-free, all pubs and bars preparing and serving food will be smoke-free; and other pubs and bars will be free to choose whether to allow smoking or be smoke-free. In membership clubs the members will be free to choose whether to allow smoking or to be smoke-free."

If only the previous Labour Government had stuck to their manifesto commitment, there would perhaps have been no need for this Bill.

I submit that there are two main reasons why the blanket ban should be relaxed and smoking should once again be permitted in public houses and private members' clubs. First, there is the economic case; and, secondly, there is what I believe to be an even more important reason—namely, freedom of choice and the desirability of devolving decisions to the lowest appropriate level.

Let me deal briefly with the economic argument. Since the ban was introduced, thousands of public houses have closed down. As ever with statistics, it is possible to choose the ones that best suit the desired argument. Few could argue against the fact, however, that since the introduction of the smoking ban, thousands of public houses have closed down. I do not claim that the smoking ban was the only cause of all those closures,

[Mr David Nuttall]

as other factors such as the availability of lower-price drinks from supermarkets, the cost of satellite television and the general economic climate no doubt all played a part. For many, however, the smoking ban was the final straw.

One does not have to travel very far in my constituency to find a public house that has called time for the very last time. There are closed public houses in Bury and in Ramsbottom that are now for sale, and "To let" signs outside public houses are becoming increasingly commonplace. This picture appears to be replicated in constituencies throughout the country. When a rural pub or a local community pub closes down, everyone loses out, not just those who wish to smoke.

Let me turn to deal with the second reason—freedom of choice and localism. I believe that in the case of a private members' club, the decision should be taken by the members of that club. I believe that the decision on whether smoking takes place in a public house should be taken by the pub landlord. I believe in trusting the people. This means giving individuals the power and the responsibility to take decisions for themselves.

Pub landlords are the right people to decide whether allowing a smoking room is the best thing to do for their establishments. Some would no doubt choose to take advantage of the freedom that the Bill would give them, but I know from my own constituency that many would not. As smoking would continue to be prohibited where food was being served, many public houses would remain just as they are today. Customers would have a choice whether to use a completely non-smoking pub or to use one with a smoking room. The establishment of separate smoking rooms in some pubs would also reduce the incidence of smokers' being forced to gather on the pavements outside pubs.

The Bill puts into practice the principle of localism that my right hon. Friend the Prime Minister set out with such clarity in his speech to the Conservative party conference last week. It transfers power from the state to the citizen, from politicians to people. It puts the "local" back into localism, and I commend it to the House.

12.41 pm

Mr Kevin Barron (Rother Valley) (Lab): I oppose the Bill. The same argument was put to the House not so many years ago in a debate that resulted in the current legislation. The hon. Member for Bury North (Mr Nuttall) was right to say that the original legislation, proposed by the then Labour Government, did not provide for a comprehensive ban in areas of all public houses or private members' clubs. In 2005 the Select Committee on Health, which I chaired, conducted a detailed inquiry into the issues before the Bill that became the Health Act 2006 had completed its passage. When it had done so, the amendments that had been tabled were put to the vote. Labour Members were eventually given a free vote, as, I understand, were Opposition Members.

Let me give the House a flavour of the results of that vote. The hon. Gentleman described this as a contentious issue. The result of the vote on clause stand part, as amended—there had been an attempt to remove the amendment—was 452 Ayes and 127 Noes. At no time did any Member trying to defend the hon. Gentleman's position manage to persuade more than 200 Members into the Lobby. It followed a great tradition that in the other place, shortly after the votes in February 2006, Lord Tebbit rose to defend the Labour party manifesto of 2005. At the time some of us, although we had stood on that manifesto, thought it was nonsense from the point of view of public health.

In the same year that the House made that decision, Spain implemented a smoking ban exempting small bars and restaurants. The law was not seen as a success, and as a result of public dissatisfaction with the exemptions the Spanish Government have proposed to extend the ban to all pubs and restaurants, although they are considering an exemption for private smokers' clubs. An evaluation of the Spanish law found that levels of second-hand smoke were reduced only in bars where smoking was prohibited by law, and that

"Most hospitality workers continue to be exposed to very high levels of SHS"

that is, second-hand smoke.

That was the issue then, and it is still the issue today: people who work in the leisure sector are exposed to people's life-threatening habits. It was the issue in 2006, when the original legislation went through the House, and it remains the issue today. Unless bars contain NHS operating theatres with doors that are rarely opened, it will never be possible to avoid the effect of Bills such as this on workers. Evaluations of other partial bans have found limited evidence of health gain, and they are believed to aggravate health inequalities.

I remind Government Members that they have just fought and won a general election criticising the then Labour Government for not ending health inequalities in this country. I agree: they did not do away with health inequalities, and some 50% of health inequalities are created by tobacco use. If Members on the Government Benches are going to continue saying what they said when in opposition, this Bill is the last measure I would expect their Front-Bench team to support, because health inequalities are writ large in tobacco use in this country.

An Australian study of 2004 found that no-smoking areas in licensed premises contained as many tobacco toxins as smoking areas. Even in clubs with completely separate no-smoking rooms there was no material reduction in the levels of harmful toxins in the air. Ventilation systems in smoking areas in rooms that are not fully segregated will not protect people in non-smoking areas. The Select Committee on Health—an all-party Committee, I might add—came to that conclusion. It is also the finding of research by D. Kotzias and others at the European Commission Joint Research Centre. We cannot isolate smoking in smoking rooms and think it has no effect elsewhere. That will not work, and it is the reason why the original Health Bill put before the House in 2005 was changed in the House in 2006.

Let us look at the health gains, because that is what this is about. It is not about leisure; it is about the health of the public. Hospitality industry workers have benefited most from the UK legislation. Evaluation of the Spanish partial ban found that the law had failed to protect them significantly. The most notable health gain for members of the public is the fall in the number of admissions for acute myocardial infarction. Researchers

at the university of Bath have calculated that there has been a 5% drop in the number of heart attacks in England, attributable to smoke-free legislation. The figure was higher for Scotland and it was measured within 12 months of the ban coming into force—as Members will know, the ban was introduced earlier in Scotland than in the rest of the UK. Similar reductions have been observed in other jurisdictions with a comprehensive ban, including New York, Ireland and Italy. Indeed, the Health Committee went to Ireland when taking evidence for our report.

It has also been suggested that having more people smoking out on the street might increase young people's perception that smoking is a normal adult activity and so increase the number of under-age smokers. In fact, international research shows that smoking bans are associated with reducing smoking among teenage boys in particular, possibly because it is seen as less normal. This topic has been debated in the House throughout the decades during which I have been a Member, and I have frequently argued for legislation to de-normalise smoking.

Some 50% of people who smoke will die a premature death, as well as having suffered from various diseases and all the other burdens they will carry throughout their life—and that taxpayers will carry for the rest of their lives in having to treat these people in the NHS. It is sometimes argued that we must recognise that smokers put money into the Treasury as opposed to looking at the ill health that is suffered as a result of tobacco use. That is a ridiculous argument.

It was claimed at the time of the Health Bill that banning smoking in pubs would displace smoking into the home, thereby increasing children's exposure. The reverse has been true. The proportion of homes in England where smoking is prohibited throughout has increased to 79% and children's exposure has fallen because of that. I have not got the figures to hand, but recently—within the past 12 months—research has found a link between cot death and smoking. That affects young children who do not have anything directly to do with cigarettes, but who are exposed to them through passive smoking. It is irresponsible for any Member to stand up in this House and say we should reverse this measure which has led to such great health gains in this country.

Support for smoke-free legislation in England has risen to more then 80% of adults, many of them smokers themselves who agree that this legislation is right. Support has risen fastest among smokers, half of whom support the legislation as it stands. Most smokers believe the law has been good for their health, good for the health of the public and good for the health of most workers.

There is an issue with the effect on business. I have looked at all the evidence and I must say that trying to introduce smoke-free rooms ventilated to the level that would be necessary would have a negative effect on business; there is no way that will benefit businesses.

Let me finish by discussing the issue of trusting the people. This morning, I found the following words on the hon. Member for Bury North's website—he has a blog and people post things on it. He said that we should trust the people, and these are the comments of someone called Jim:

"Mr Nuttall, I am a tory voter and a pub landlord, you are so wrong on this and I suggest you use your common sense to drop this headline catching cause.

The smoking ban was one of the few things labour got right in their last reign."

I dispute that, to some extent. He continued:

"To even suggest undoing it in this manner brings yourself and the party into disrepute. As a landlord my biggest fear about the smoking ban was the proposal you are advocating. In my humble opinion it will create an unfair playing field, that panders to the weak and stupid.

Many people because of the ban have given up smoking, myself included, I do not want to go back to the days of smoky pubs, the blanket ban has worked. My business is proof, I am still trading and making a living".

I shall not read out the rest, but there are many other comments on the hon. Gentleman's blog, including some from nurses in his constituency. One of them says that they wished he had put this proposal in his manifesto when he stood for election in May, because they may have then had a different view about the Conservative candidate. I would like to oppose this Bill. *[Interruption.]*

Mr Speaker: Order. The hon. Member for Northampton South (Mr Binley) has been in the House for five years, so I feel sure that he is keenly conscious of the fact that there are two speeches on these occasions and no more.

Question put (Standing Order No. 23).

The House divided: Ayes 86, Noes 141.

Division No. 70] **[12.51 pm**

AYES

Bacon, Mr Richard
Baker, Steve
Bebb, Guto
Bingham, Andrew
Binley, Mr Brian
Brady, Mr Graham
Bridgen, Andrew
Burley, Mr Aidan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Coffey, Dr Thérèse
Colvile, Oliver
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Doyle-Price, Jackie
Elphicke, Charlie
Evans, Jonathan
Glindon, Mrs Mary
Goldsmith, Zac
Gummer, Ben
Halfon, Robert
Harris, Mr Tom
Hemming, John
Henderson, Gordon
Hinds, Damian
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Latham, Pauline
Leigh, Mr Edward
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lopresti, Jack
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Mordaunt, Penny
Morris, Anne Marie
Morris, David
Mosley, Stephen
Mowat, David
Mulholland, Greg
Nuttall, Mr David
Ollerenshaw, Eric
Ottaway, Richard
Patel, Priti
Perkins, Toby
Pincher, Christopher
Rees-Mogg, Jacob
Robertson, Mr Laurence
Rudd, Amber
Sanders, Mr Adrian
Shelbrooke, Alec
Skidmore, Chris
Smith, Henry
Stephenson, Andrew
Stewart, Bob
Stewart, Iain
Stewart, Rory
Tapsell, Sir Peter
Thurso, John
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Walker, Mr Charles

Walker, Mr Robin
Walter, Mr Robert
Weatherley, Mike
Wharton, James
Whittaker, Craig
Whittingdale, Mr John
Williamson, Gavin

Tellers for the Ayes:
Mr Peter Bone and Mr Philip Hollobone

NOES

Abbott, Ms Diane
Alexander, Heidi
Andrew, Stuart
Bailey, Mr Adrian
Barclay, Stephen
Barron, rh Mr Kevin
Bayley, Hugh
Begg, Miss Anne
Beith, rh Sir Alan
Beresford, Sir Paul
Betts, Mr Clive
Blenkinsop, Tom
Boles, Nick
Brake, Tom
Brine, Mr Steve
Brooke, Annette
Brown, Mr Russell
Bruce, Fiona
Bruce, rh Malcolm
Burden, Richard
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Collins, Damian
Connarty, Michael
Corbyn, Jeremy
Crausby, Mr David
Cunningham, Alex
Dakin, Nic
Donohoe, Mr Brian H.
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Ellison, Jane
Engel, Natascha
Esterson, Bill
Evans, Graham
Farron, Tim
Fitzpatrick, Jim
Flynn, Paul
Fovargue, Yvonne
Freer, Mike
Fuller, Richard
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Goggins, rh Paul
Green, Kate
Griffith, Nia
Gyimah, Mr Sam
Hancock, Matthew
Hanson, rh Mr David
Harris, Rebecca
Havard, Mr Dai
Hemming, John
Hollingbery, George
Hopkins, Kelvin
Horwood, Martin
Howarth, rh Mr George
Huppert, Dr Julian
James, Margot
James, Mrs Siân C.
Kaufman, rh Sir Gerald
Keeley, Barbara
Kelly, Chris
Laing, Mrs Eleanor
Lavery, Ian
Lazarowicz, Mark
Leadsom, Andrea
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Chris
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lumley, Karen
Mann, John
McCann, Mr Michael
McCarthy, Kerry
McCrea, Dr William
McDonnell, John
Mearns, Ian
Miller, Andrew
Mills, Nigel
Moon, Mrs Madeleine
Morrice, Graeme
Morris, James
Munn, Meg
Murray, Sheryll
Nash, Pamela
Nokes, Caroline
Offord, Mr Matthew
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Percy, Andrew
Phillips, Stephen
Poulter, Dr Daniel
Raynsford, rh Mr Nick
Reid, Mr Alan
Ritchie, Ms Margaret
Rogerson, Dan
Rosindell, Andrew
Rotheram, Steve
Roy, Lindsay
Ruddock, rh Joan
Russell, Bob
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Julian
Smith, Nick
Smith, Sir Robert
Soulsby, Sir Peter
Stevenson, John
Stride, Mel
Stuart, Ms Gisela
Swales, Ian
Thomas, Mr Gareth
Tomlinson, Justin
Twigg, Stephen
Vaz, Valerie
Walley, Joan
Ward, Mr David
White, Chris
Whitehead, Dr Alan
Williams, Roger
Williams, Stephen
Williamson, Chris
Winnick, Mr David
Wollaston, Dr Sarah
Wright, Simon

Tellers for the Noes:
Peter Bottomley and Chris Bryant

Question accordingly negatived.

Superannuation Bill

Consideration of Bill, not amended in the Public Bill Committee.

New Clause 1

CONSENTS REQUIRED FOR CIVIL SERVICE COMPENSATION SCHEME MODIFICATIONS

'(1) Section 2 of the Superannuation Act 1972 is amended as follows.

(2) In subsection (3), at the beginning insert "Subject to subsection (3A) below,".

(3) After subsection (3) insert—

"(3A) Subsection (3) above does not apply to a provision which would have the effect of reducing the amount of a compensation benefit except in so far as the compensation benefit is one provided in respect of a loss of office or employment which is the consequence of—

(a) a notice of dismissal given before the coming into operation of the scheme which would have that effect, or

(b) an agreement made before the coming into operation of that scheme.

(3B) In this section—

"compensation benefit" means so much of any pension, allowance or gratuity as is provided under the civil service compensation scheme by way of compensation to or in respect of a person by reason only of the person's having suffered loss of office or employment;

"the civil service compensation scheme" means so much of any scheme under the said section 1 (whenever made) as provides by virtue of subsection (2) above for benefits to be provided by way of compensation to or in respect of persons who suffer loss of office or employment.

(3C) In subsection (3B) above a reference to suffering loss of office or employment includes a reference to suffering loss or diminution of emoluments as a consequence of suffering loss of office or employment."

(4) The amendments made by this section apply in relation to reductions to which effect is given by a scheme made under section 1 of the 1972 Act after the coming into force of this section.

(5) Subsection (6) applies if—

(a) a scheme under section 1 of the 1972 Act is made after this section comes into force, and

(b) consultation on the proposed scheme took place to any extent before this section came into force.

(6) The fact that the amendments made by this section were not in force when that consultation took place does not affect the question whether the consultation satisfied the requirements of section 1(3) of the 1972 Act.'.—*(Mr Maude.)*

Brought up, and read the First time.

1.2 pm

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): I beg to move, That the clause be read a Second time.

Mr Speaker: With this it will be convenient to take the following:

Amendment 4, page 1, line 1, leave out clause 1.

Amendment 3, in clause 2, page 3, line 14, at beginning insert 'Subject to subsection (2A),'.

Amendment 2, page 3, line 14, at end insert—

'(2A) Section 1 shall not come into force until the Minister has laid a report stating that the affected members of the relevant trade unions under section 2(3) of the Superannuation Act 1972 have given their approval by means of ballots to the terms of section 1, and the House of Commons has come to a Resolution on a Motion in the name of a Minister of the Crown approving the report.'.

Amendment 5, in title, leave out from 'provision' to end and insert

'modifying the effect of section 2 (3) of the Superannuation Act 1972 for benefits to be provided by way of compensation to or in respect of persons who suffer loss of office or employment.'.

Government amendment 1.

Mr Maude: In my statement to the House in July and again on Second Reading in September, I made it clear the Government's intention is to make the civil service compensation scheme affordable, and I set out our intention to legislate to underpin the negotiations to achieve that. However, I have made it clear at all stages—and I make it clear again today—that our principal aim has been to reach a negotiated settlement with all six civil service unions to introduce a new successor scheme that would provide, in particular, better protection for lower-paid civil servants.

The current civil service compensation scheme is unaffordable and completely out of kilter with practice in the rest of the public sector, let alone in the private sector, and it actually makes more likely redundancies among the lowest paid and shortest-tenured civil servants. The previous Government recognised that and engaged in protracted negotiations over many months—indeed, over several years—with the Council of Civil Service Unions to try to reach agreement on a successor scheme. I pay tribute today, as I did on the previous occasion, to the right hon. Member for Dulwich and West Norwood (Tessa Jowell) and her predecessors, who persisted in trying to get full agreement from all members of the Council of Civil Service Unions.

Despite those months of negotiations, the previous Government were unable to achieve full agreement. I understand that it looked as though an agreement was there, but at the last minute the PCS—the Public and Commercial Services Union, the largest of the civil service unions—pulled out, leaving a proposed new scheme in place that had been agreed by five unions, but not by the sixth.

Given the extensive consultations and negotiations that took place, which gained agreement from five out of the six unions, the previous Government felt and concluded—I said at the time that I agreed—that it was only right that one union should not hold the right of veto on any change. So in April the previous Government imposed a new compensation scheme that reflected the agreement with the five unions. But for the action of the PCS, that might have been where the story ended, but the subsequent actions of the PCS have led us to where we are today.

The PCS challenged in the High Court the right of the Government to impose a settlement in such circumstances and the Court subsequently quashed the February scheme. So almost literally on my first day in office after the election, I was confronted with a situation in which the previous civil service compensation scheme was still in force and had not been reformed at all. That scheme, as I have said, is completely unaffordable, inherently unfair and in urgent need of reform. It was striking that

[Mr Maude]

on Second Reading, when this issue was extensively and thoroughly debated in a constructive and open spirit with no element of partisanship creeping in, every Member who spoke agreed that the current scheme was unsustainable and needed reform. There was complete consensus across the House.

The current compensation scheme is extremely generous compared with the rest of the public sector, let alone private sector, equivalents. A comparison with the statutory redundancy scheme shows that payouts, particularly for lower-paid workers in the private sector, are capped at 32 weeks' pay at a maximum weekly pay that is still, I think, capped at £380. The maximum that can be paid out to anyone under that scheme is less than £12,000. By contrast, the maximum value under the civil service scheme is the equivalent of six years and eight months' salary. Typical schemes in the private sector—particularly the statutory scheme—pay one week's salary for each year worked. The civil service scheme pays at least four times that amount—a month's salary for each year worked, and in some cases up to three months' salary for each year of service.

The previous Government spent £1.8 billion on civil service redundancy payouts in the last three years, including a number of spectacular six-figure settlements for individuals. The result of the scheme's being so generous and unaffordable is that Departments cannot afford to make civil servants redundant, even if they are willing to go voluntarily, if they are highly paid and of long tenure. If Departments need to save money—as they had to under the previous Government and as they will have to under the coalition Government—through redundancies, they simply cannot afford to choose those individuals on high pay and long tenure. In order to make the same savings in salary terms, they need to make many more lower-paid and shorter-tenured staff redundant. The unjust effect of the current scheme's being so badly structured and unsustainable is that if it were allowed to remain in place, more civil servants would lose their jobs and more civil servants on lower pay would lose their jobs. The coalition Government are not willing to see that happen.

Stewart Hosie (Dundee East) (SNP): I understand the logic of the Minister's argument, but I have a constituent who has a business case for her to take early retirement under the voluntary scheme—I have seen the business case, which will save a great deal of money over the next few years. She is not being allowed to go now because of the uncertainty surrounding this process. Do we not have a little disconnect at the moment in that this process and this Bill are stopping people leaving early when it suits them and would save money right now for that Department?

Mr Maude: Depending on what the House decides today, some of that uncertainty should be removed. I want Parliament to be able to move quickly to enable the new scheme to be put in place, because it will provide certainty. I absolutely understand the uncertainty that exists for many dedicated, hard-working public servants who know that there might not be a future for them because of the situation—because, frankly, of the previous Government's legacy of the fiscal deficit—and it is really unfair to leave people in limbo and with that kind of uncertainty. I want us to achieve the greatest certainty at the earliest time so that people know where they stand and so that Departments and agencies that have to make redundancies can go ahead with them and enable people to make the break and start the next phase of their lives.

The caps contained in the Bill are, as I said on Second Reading, a blunt instrument that will immediately limit the amount that can be paid to any individual. Those caps were never intended to be a long-term solution. It is and has always been our absolute priority to create a scheme that is affordable but that provides protection for the lower-paid. However, those protections are complicated to engineer and we felt—I do not resile from this at all—that it is incredibly important to consult thoroughly and to discuss properly how those protections should be configured. The discussions with the unions have been very productive and have led to the scheme, which I shall describe, being configured.

Jack Dromey (Birmingham, Erdington) (Lab): Widespread concern has been expressed throughout the House about the impact of the Bill on hundreds of thousands of civil servants. I welcome the fact that the Government have improved the offer to the civil service, but that offer is not as generous as what was on offer in February and agreement has yet to be reached. Will the Minister agree personally to meet the six unions concerned to try to achieve a negotiated solution? Negotiation has to be better than the blunt instrument that will impose serious changes for the worse to the employment contracts of, for example, defence civilians in the Ministry of Defence who are serving in support of our forces in Afghanistan right now. That instrument will establish a chilling precedent for the future and it is worrying all public servants. Will he make one final effort before the Bill becomes law?

Mr Maude: Absolutely and unequivocally, yes. I shall talk a little about the process we have been through and where we are in the negotiations. I say clearly to the hon. Gentleman and to the House that if it is at all possible to achieve a fully negotiated settlement that is affordable and fair to the taxpayer and that meets the concerns of all the unions, we will certainly try to achieve such an agreement with all six unions. I shall say a little more about that in a while, but the answer is definitively yes.

John Hemming (Birmingham, Yardley) (LD): In Committee, the hon. Member for Birmingham, Erdington (Jack Dromey) made some good points about individual exceptions in which even the terms proposed in the negotiations with the trade unions might be unfair to individuals who have been through particular hardship. Does the Minister agree that that can be resolved only through negotiation and that aiming to resolve it through legislation would be a mistake?

Mr Maude: My hon. Friend is completely right: there has to be flexibility. That is why I have always said that the caps imposed by the Bill are not right for a permanent system because they do not provide that flexibility. The scheme that has been brokered between the negotiators for five of the unions would provide much greater flexibility and would, I think, meet the concerns that he raises.

John Hemming: Also in Committee, Dusty Amroliwala, the civil servant responsible for handling the scheme, said that he would have advised any Government to take that approach to break the legislative logjam. He also said that there had been no estimates of what the Bill would save because there was no expectation that what it proposed would be the end result. In that sense, does the Minister agree that this is part of the process of breaking the legislative logjam?

Mr Maude: Yes, indeed. If the result of the process that we have been through with the Bill is that it makes a negotiated settlement more likely, that will be extremely beneficial. I do not want the outcome of all this to be that the existing scheme remains in place with the crude caps that the Bill imports. What we want is a new, successor scheme, and there is now a serious prospect of that being achieved. If it can be achieved with the support and agreement of all six civil service unions, no one will be more delighted than I. However, if we have to go down the path of having a new scheme that is supported by fewer unions, that would still be better because it would mean that many of the concerns that have been raised would be met better than by the Bill. That would be infinitely better than the current scheme remaining in place, as it is simply unaffordable and unsustainable, as the previous Government openly accepted.

Elizabeth Truss (South West Norfolk) (Con): In response to the points raised by Opposition Members regarding the difference between the deal that was done by the previous Government and a deal being done now, how would the impact on low-income workers in the civil service differ?

1.15 pm

Mr Maude: If my hon. Friend will allow me I shall come to that later, because I want to talk in a little more detail about the terms of the scheme that has been brokered by the negotiators for five of the unions.

I repeat that we want a long-term negotiated successor scheme. We want a package of reform that provides genuine protection for lower-paid civil servants, that caps the total amount that can be paid out, that provides protection for those closest to retirement and that reforms the accrual rates. It takes time to negotiate such a scheme and it has been a very intensive process. That is why the caps were put in place in the Bill—as a safeguard to ensure that if agreement could not be reached, we could at least limit the payouts in the short term. I have always been hopeful that we could reach agreement with all six unions by the time the Bill reached Report.

After the intensive negotiations throughout the summer, we reached an impasse. The same five unions that agreed the February deal with the right hon. Member for Dulwich and West Norwood came together once again and put to me concrete proposals for reform. Sadly, the PCS refused to join them in that approach. That was disappointing, but I made it clear to the PCS that it was welcome back at any stage if it was willing to put forward concrete proposals, and I wrote to Mark Serwotka, the general secretary, to that effect. In the meantime, my officials and I engaged productively with the remaining five unions to attempt to reach agreement. Last week, all five union negotiators, representing Unite, GMB, Prospect, the First Division Association and the Prison Officers Association, agreed terms with us that they were prepared to recommend to their executives. The terms of that agreement represent a reasonable outcome for everyone involved and deliver on our objectives of being fair, affordable and sustainable.

It is worth dwelling a little on the terms of the agreement. We reached agreement on a standard tariff in which each year of service would provide one month's salary in the event of redundancy. That compares with one week's salary for every year of service under the statutory redundancy scheme. The tariff would be capped at 12 months for compulsory redundancy and at 21 months for voluntary redundancy. All civil servants being made redundant would be entitled to a three-month notice period. That is in contrast to a cap, in some circumstances, of well over six years' pay—six and two-thirds years—and paying up to three months' pay for every year of service, as is the case currently. It contrasts with the current situation of having a six-month notice period for all compulsory redundancies, but no equivalent notice period for voluntary redundancies. The new scheme will be simpler, fairer and more affordable.

We also agreed on significant protection for lower-paid civil servants. Under the terms of the scheme, any civil servant on a full-time equivalent salary of less than £23,000 who was made redundant would be deemed to earn £23,000 when their redundancy payment was calculated. So for someone earning £13,000 in those circumstances, the multiplier by which the number of years would be multiplied to calculate the redundancy payment would be deemed to be £23,000. For the very lowest paid in the civil service, that is significant additional protection and, I have to say, better protection for the lowest paid than the February scheme. I say again that that would be a permanent feature of the scheme, not a transitional feature of it. It would be in place for all time, or for all time until some subsequent Government chose to revisit it.

Conversely, staff earning more than six times the private sector median average earnings, which is around £150,000, would have their salary capped at that figure for the purpose of calculating their redundancy payment. That would be an end to the mega-payouts, which have been highlighted in a national newspaper recently and which cause a certain amount of offence to taxpayers.

We also agreed on protection for staff who have reached the minimum pension age of 50, allowing them to opt for early retirement when they leave, in return for surrendering the appropriate amount of any redundancy payment. Again I stress to the House that under this proposal that will be a permanent feature of the scheme, whereas in the February scheme, which the right hon. Member for Dulwich and West Norwood attempted to impose, it was framed as a transitional arrangement that would run out over time.

I believe that that is a fair deal for civil servants and for taxpayers. Given that we had agreement from five of the six union negotiators on the terms of the new scheme, I therefore proposed an amendment—the new clause that we are now discussing—to allow the Government to impose that scheme, which is a power that the Government thought they had and used when the right hon. Lady was in office, but which was subsequently struck down by the High Court.

I want to make it absolutely clear that there will be an obligation for the Government to consult properly before any scheme is imposed. I believe that that obligation

[Mr Maude]

already exists in section 1(3) of the Superannuation Act 1972, but lest there be any doubt, I undertake that we will introduce a further amendment in the other place to put the matter beyond doubt. In the intervening period, I shall want to discuss with the right hon. Lady and with the unions how we can frame that measure in a way that gives the necessary comfort that this is a serious process. That commitment is there. There is already in the existing Act an obligation to consult the unions. It is not framed in quite that way, but that is the effect of it. We shall introduce further amendments if they are regarded collectively, by us all, to be necessary to put the matter absolutely beyond doubt.

I want now to make it absolutely clear what the new clause does. It does not create any unprecedented power for me that has not been available to my predecessors. It simply recreates precisely the power that the right hon. Lady had when she imposed the February scheme. It does not go one whit beyond that. It is rigorously framed so that it goes no further at all than the power in the original Act, on the basis of which the right hon. Lady—in good faith, and with our full support—acted before the election.

Let me say a word about the PCS. I have no wish at all to exclude the PCS from the negotiations. Late last week, the leadership of the PCS came back to me and indicated that they would like to return to the negotiating table. I welcome that and have told them that I am looking forward to seeing their proposals. The other five unions have been making constructive proposals for some little time now, and those suggestions have formed the basis of the proposed new scheme brokered and agreed by the negotiators for those five unions. I have stressed to the PCS that any changes to the proposed scheme cannot exceed the cost envelope of the scheme already agreed, and that any changes must be agreed with the other unions, which have already worked hard to reach this agreement.

May I say a word about the Opposition amendments, which have been grouped with the Government new clause and amendment? The Opposition amendments would effectively invalidate the effect of the Bill, as they would remove the caps, which are the essence of the Bill. There is nothing more to say about that. On Second Reading, I set out the reasons for having the Bill at all, and I have reiterated them today. I say again that no one would be more happy than I would if, the day after Royal Assent is given to the Bill, should it get that far, I am able to put those provisions into abeyance; I do not want us to be in a position whereby those caps are what applies in practice. I want there to be a new scheme—ideally agreed by six unions, but if not, agreed by as many as possible, and imposed using the powers that the right hon. Lady herself used, which the Government new clause will put into effect and allow to be used.

I earnestly hope that a successfully negotiated new scheme agreed by all six unions will follow from today's debate. I stress that I remain completely committed to achieving that. If we can achieve it, neither the caps in the Bill nor the power contained in the new clause will be needed, but if there were no such agreement, it would be wrong for the PCS to be able to veto any changes to the current scheme, because that scheme has been universally agreed in the House to be unsustainable. This amendment will simply put the current Government in the same position as the previous Government—committed to consultation and to negotiation, but able, in the end, to decide. I commend it to the House.

Tessa Jowell (Dulwich and West Norwood) (Lab): I shall speak against Government new clause 1 and in favour of the amendments standing in my name and that of my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins). I give notice that I intend press amendment 4 to a Division, subject to your will, Mr Speaker.

I also want to put on record my appreciation of the conciliatory tone in which the Minister has addressed the House today and note what I think was very constructive scrutiny of the Bill in Committee, which gave the opportunity to hear witnesses.

I would like to identify the common ground that we share, but also what still divides us. We agree that the civil service compensation scheme is in need of reform—as the Minister observed, I spent many hours trying to secure that reform—but it is also important that new legislation take account of the conclusions of the judicial review. It is important, too, that that is done in the right way, giving the 500,000 or so civil servants who are liable to be affected the confidence that the process will be fair and that the fairness of that process is institutional.

The legislation represents very high stakes for the 500,000 or so civil servants whose lives stand to be directly affected by its provisions. The Bill is not simply a blunt instrument for negotiating purposes. For those 500,000 civil servants, it could be a matter of their keeping their home, helping their children through university or averting financial hardship while they look for a new job. We heard eloquent evidence of that anxiety from witnesses who appeared before the Public Bill Committee.

To summarise, we have two central problems with the Government's position on the Bill. The first problem, as we argued from the outset on Second Reading, is with the unacceptable caps set out in clause 1. Our amendment 4 is intended to deal with that. The second is the unbridled powers that the Government are seeking to impose on any new scheme that fails to secure a negotiated agreement. We will take every step we can to insist that a requirement for consultation and due process appears in the Bill.

1.30 pm

Mr Maude: The right hon. Lady describes the powers that we are seeking in the new clause as unbridled, but does she accept that they would be precisely the same powers as she had and exercised only eight months ago?

Tessa Jowell: I accept that only in part, in that the scheme set out in the Bill, with the caps, is substantially less generous than the scheme that we negotiated with the trade unions only a few months ago.

Mr Maude: I am not talking about the scheme; I am talking about the power in the new clause for the Government to impose a new scheme, which the right hon. Lady has just described as an unbridled power. I am asking her to agree what is certainly the case: that the power that the new clause would give to me is precisely the same power as she had and exercised when she held my job eight months ago.

Tessa Jowell: Let me come back on that point. When I was responsible for the negotiations, they were long, as the Minister outlined, and involved a serious and concerted attempt to reach a negotiated agreement. New clause 1 is a necessary way of dealing with the unexpected outcome of the judicial review earlier this year. Had we been returned at the general election, we would no doubt have had to amend the 1972 Act in the light of that, but the critical difference is that we would not have introduced legislation simply to impose a settlement in the absence of a clear commitment in the Bill to negotiation in good faith in order to try to achieve a proper agreement. That is why I stand by my description of the powers, as drafted in the Government's new clause, as unbridled.

We recognise the need for an amendment to the Superannuation Act 1972. The High Court judgment made a clear case for ensuring that the Government are able to compel a settlement and that no union should be able to veto changes. That is a position that we would support.

John Hemming: The right hon. Lady's amendment (a) would mean that the unions would have to consult their members in accordance with the rules before any new scheme could come in. Does she agree that that would provide the opportunity for a trade union to veto any changes merely by refusing to negotiate or consult its members?

Tessa Jowell: If the hon. Gentleman reads the amendment carefully, it will be clear to him that it is intended not to give the trade unions a veto, but to require a report to Parliament on the progress of the negotiations where the power is intended to be used, giving the effect of the imposition of a settlement in the absence of the agreement of all six unions.

John Hemming: The amendment states that the Minister must lay

"a report of the consultations that have taken place with the workforce and their recognised representative trades unions with a view to agreement"

and that the report should contain

"a statement that the representative trades unions have consulted their members in accordance with their rules".

The report cannot include such a statement unless that has happened. That, in essence, would revert to a veto for the trade unions. I should think amendment (a) should not be moved.

Tessa Jowell: The approach is intended to ensure that what appears in the Bill when it receives Royal Assent represents a right and proper balance between the responsibility of the Government to secure a settlement and the entitlement of the trade unions to be properly consulted. However, as the hon. Gentleman may not quite be aware, in Mr Speaker's wisdom he did not select that amendment for debate.

I return to our clear view that no one union should be able to veto a change to the civil service compensation scheme that is the result of negotiated agreement with the majority of unions. The Government's ability to compel a settlement should be the course of last resort, once it is clear that common agreement cannot be reached—

John Hemming *rose*—

Tessa Jowell: I shall make progress. Many Back Benchers want to speak in the debate and the hon. Gentleman will have a further opportunity.

We cannot support the Government new clause as drafted because it allows the Government to impose changes to the scheme at any point, without the contingent obligation to consult the work force or their representative trade unions.

Mr Maude: To be absolutely clear, the Superannuation Act states, at section 1(3):

" Before making any scheme"

this would refer to the schemes that we are discussing—

"under this section the Minister . . . shall consult with persons appearing to the Minister . . . to represent persons likely to be affected by the proposed scheme".

So there is an explicit obligation in the 1972 Act to consult representatives of staff affected by any new scheme. That is absolutely explicit. It was the obligation that the right hon. Lady herself followed scrupulously when holding the job that I now hold, and it is the obligation that I absolutely undertake we have been following. If there is any doubt about it, we will make that even more explicit with an amendment tabled in the other place.

Tessa Jowell: I am grateful to the Minister for that clarification, but as nearly 30 years have passed since the Superannuation Act was introduced, both the terminology and the reference to the negotiating structure could be updated to make the two commitments clear—the right to impose in the absence of unanimity among the unions, but a right that is exercised only on the basis of clear, systematic, open and proper negotiation with the appropriate trade unions and work force representatives.

The other underlying issue is the lack of confidence in the process so far. The Bill was published before the civil service unions had even met the Minister or his officials. None of the work force had the opportunity, unlike during the negotiations that we undertook, to comment on the proposed reforms, despite the fact that they marked a significant and detrimental departure from the previous package. The obligation to consult the work force at every stage is missing from the Bill.

Given the powers that the Government have asked the House to grant them through the new clause, it is only right that safeguards be put in place to ensure a fair and reliable process whereby the work force have a right to be consulted, the Government are obliged to seek an agreement with the representative trade unions and the House is the arbiter of whether that process has been fair and transparent. If those safeguards had been put in place, we would have supported the Government and not sought to vote against the new clause.

We have outlined a very clear basis for our opposition to the proposed change, but we make it equally clear that if the Minister for the Cabinet Office seeks to introduce in the other place a revised amendment that addresses the judicial review and puts consultation and proper process in the Bill, we will support him. That is dependent on Mr Speaker taking his usual principled and pragmatic view and not judging the Bill to be a money Bill, which would eliminate the possibility of any such constructive amendment and scrutiny in another place.

Mr Maude: To be absolutely clear, I am advised that if the new clause were not agreed to and the Bill remained as drafted, it would be possible for Mr Speaker to exercise his discretion—and it is a discretion—and certify it as a money Bill. However, I am also advised that if the Bill were to include the new clause and amendment that I have tabled, the question of its being a money Bill would not even arise. So, if the House were to carry our proposed changes, there would be no question of the Bill's continuing to be a money Bill for the purposes of the other place; it would go through the full and usual processes there.

Tessa Jowell: The Opposition would very much welcome full and further scrutiny, as the negotiations are ongoing.

The issue is about the right reforms, which we seek to put forward through our amendments 4 and 5, whose purpose is to strike out the arbitrary caps that the Government introduced at the start of the process. Those caps have led to an improved offer, as my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) said, as a result of negotiation, and we welcome that. There is now an improved offer on the table, so we do not understand why the Government oppose our amendment. Given that new clause 1 would give them the power to impose any settlement, why have the caps, which have caused such distress and anxiety to civil servants, remained in the Bill?

We are pleased that the Government claim to have reached an agreement with at least some of the trade unions, and the Government have declared that that will supersede the terms before us. To echo the Minister's language, I note that he has managed to introduce a "sharp instrument" to replace the "blunt" one, but that leads us to question why the Government persist in wanting those terms to remain in the legislation.

The caps are simply out of kilter with the subsequent agreement that the Minister claims to have reached. He, his colleagues and his officials have told us that he wants a negotiated settlement, and on both sides of the House the consensus is that that would be the right course of action. Instead, however, the Government want to proceed to impose the arbitrary caps that they sought to impose at the beginning of the process. For those reasons, we ask the House to oppose the Government's proposed changes and to support our amendments 4 and 5.

1.45 pm

The Government, in their handling of the Bill, have already tried the patience of the House to its limit. First, they asked us to agree to caps that they never intended to use, or hoped would never be used or reach the statute book. Then, they asked us to support a set of final provisions that would allow those terms to expire and be resurrected at any time in the future. Now they implore us to support a new clause that, in effect, would give them a blank cheque to draw up a new scheme at any time, with no guarantee that the work force, the trade unions or the House would be engaged in or influence the outcome.

The handling of this Bill has been an absolute shambles, and it is with some sympathy that I say to the Minister that he is now in a hole. The Treasury is breathing down his neck and insisting that he makes whatever savings that earlier in the process he might have pledged, but that now will take a little longer to realise. We will oppose the new clause and press the House to a vote on our amendment 4, simply because the legislation before us will have a profound effect on the lives of thousands and thousands of civil servants, and they deserve better.

John Hemming: This has been a rather depressing debate, because the Opposition have demonstrated "oppositionism" at its worst. Everybody recognises that there is a problem and, basically, we cannot afford to pay six and two thirds years' redundancy payments to some senior civil servants. The Government are trying to look after the low-paid, and our proposals are better than the Opposition's. The Opposition's amendment, which admittedly has not been selected, would have reinstated a veto for the trade unions on any proposals for change, something that the Opposition disagreed with when they were in government.

Tessa Jowell: Will the hon. Gentleman explain why the proposals in the Bill provide a better deal for low-paid civil servants earning less than £20,000 a year than the proposals in the February 2010 package?

John Hemming: I accept the shadow Minister's point that the Opposition's proposals are the same as those in the negotiations, but the whole point of the Bill is that it is not supposed to be the end result. Civil servants have not made any estimate of the savings as a result of the Bill, because it is not supposed to be the end result. This legislation is what the civil service has advised us to undertake in order to break the legislative logjam that the previous Government created. It is about making progress.

On the issue of how we manage the civil service, I think that we should try to look after our employees and aim to minimise redundancies. In the absence of the Bill, however, that would become harder and harder. One thing that must be recognised is that reorganisation has essentially come to a halt, because we will not be able to save money if we have to pay six years' redundancy to somebody. Paying six years' redundancy will mean that we increase the deficit.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): The hon. Gentleman keeps using the figure of six and two thirds, but will he concede that that is wholly inaccurate? Under the current terms, the maximum payment is three years. The six and two thirds figure to which he refers includes the enhanced pension that somebody would receive if they were over 50 years old. Will he therefore accept that his explanation is inaccurate?

John Hemming: The question is about what we add to the deficit—the actual cash costs. That is the key. The proposals that the previous Government tried to impose were struck down by a judicial review, so we have reverted to the original scheme.

In essence we are trying to reduce the deficit and reduce borrowing, and, if by making redundancies we increase borrowing, that will not get us anywhere at all. That is the reality of life. Underlying that, however, things can be done to reduce the full-time equivalent headcount without reducing staff—finding ways in which people can go part-time and so on. But, there is a legislative logjam that needs to be broken, and we need negotiations. Indeed, the 1972 Act requires them. The

Public and Commercial Services Union argues in its briefing that there needs to be a trade union veto because there is no contract. However, those people who have contracts can find that their contracts are changed.

To be fair, I should take a very different view if there were any threat to pension rights. Pension rights are different, but an unaffordable redundancy scheme, in which we cannot reorganise organisations and save any money, is one that we cannot deal with in these circumstances—much that the priority has to be otherwise. To that extent, new clause 1 is the right way forward. I am surprised that the Opposition have taken the view that they would rather this were a money Bill than not, because their amendment would create the situation whereby it suddenly became a money Bill.

Tessa Jowell: We want the Bill to have full and proper parliamentary scrutiny in both Houses of Parliament.

John Hemming: I thank the shadow Minister for saying what her objectives are. In the past, the Opposition have often had objectives that they failed to achieve. Their objective was to remove the trade union veto, but the amendment would reinstate it. Their objective is for this not to be a money Bill, but by voting against new clause 1 they would, if successful, make it a money Bill. I accept that the shadow Minister has particular objectives, but what she does tends not to work; that is the reality of the situation.

We have to be effective in terms of running Government. We must do things that work—that achieve results. This Bill is about achieving results: it is about creating a situation whereby there can be negotiations with the trade unions in which we can deal with difficult cases where individuals are suffering particular hardship. In the Public Bill Committee, there was an attempt to negotiate through discussions with the trade unions. That was dreadful—it was almost impossible to get anywhere, and I find it rather sad that anyone tried. The reality is that negotiations have to work in a particular way; one cannot negotiate through a process of producing legislation. We need a blunt instrument that creates an environment in which a negotiated settlement can be arrived at. To that extent, I support new clause 1.

John McDonnell (Hayes and Harlington) (Lab): Following the final comments by the hon. Member for Birmingham, Yardley (John Hemming), I fully agree that we have been trying to create an environment in which agreement can be reached. However, if I were a civil servant watching this debate, with the prospect of the large-scale redundancies that will happen after the comprehensive spending review, I would almost despair. It will be extremely difficult for all of them to come to terms with the loss of their jobs. As a manager in the public sector in a former life, I have always found that people are realistic as long as their views are respected and they are involved in the discussions and negotiations, which have been entered into in a spirit of good will. To achieve that, we need to create a climate of good will where people feel that their views are being heard.

Despite my having opposed every cut of every job in recent years under the previous Government, we were told in the Public Bill Committee that 80,000 jobs were lost but there were only 80 compulsory redundancies. The negotiations that took place on the basis of the protocols established with regard to redundancies and transfer between Departments resulted in a system whereby large-scale compulsory redundancies were avoided. The Minister referred to past practice under the previous Government. As I said, I did not support the cuts that went on, but I genuinely think that they were committed to a negotiated settlement. In my view, had it not been for the interference of No. 10 and the Treasury—this is almost like history repeating itself—we would have obtained a negotiated settlement that all unions would have accepted. However, the settlement was imposed, and I opposed that. The PCS took the then Government to court because it believed that the accrued rights of its members were being interfered with contrary to law because it was an imposed settlement, not an agreed one. It was proved right in the court of law, and we have to come to terms with the reality of that.

Harriett Baldwin (West Worcestershire) (Con): I am interested in the hon. Gentleman's point of view on this. Does he believe that it is possible for the Government to negotiate to a satisfactory conclusion with the PCS given its position in all the negotiations?

John McDonnell: I do. I will come to that in a few minutes.

The position of the unions in the Public Bill Committee represented an attempt to acknowledge their responsibilities to their members. The PCS was in a similar position whereby, if it had not taken the Government to court to assert its members' rights to their accrued rights and to consultation and agreement, it could have been taken to court by any individual member for failing to undertake its duty to its members.

Under the previous Government, there was a genuine attempt to negotiate a settlement. Under the current Government, I have found in my discussions with civil servants—not only PCS members but members of the other unions—that there is uncertainty among many of the people who may well be affected by the cuts to come as to whether the Government genuinely want a settlement, and anxiety that the Government are seeking to provoke a dispute. I listened to the Minister's words, and I am grateful for them: they were positive and tried to create the climate in which a negotiated settlement can be achieved. However, the pattern of negotiations and ministerial statements in the past few months has not engendered an atmosphere in which a negotiated settlement can be brought about. That is why the Opposition have tabled their amendments. Every trade union representative at the Public Bill Committee made it clear to us that it was unprecedented for a Government, in the midst of negotiations, to introduce a Bill to impose a settlement in this way. It has never happened before in negotiations between a Government and the public sector.

John Hemming: Does the hon. Gentleman recall from the Committee that the senior civil servant responsible for the issue said that he would have advised any Government to take this sort of approach?

John McDonnell: That very civil servant's advice landed the last Government in court, where they lost. I met him in the week before the general election and said to him: "You will lose in court because this is inaccurate advice on legal grounds, but in addition, it will not contribute to the conclusion of a negotiated settlement, and we'll be back again within weeks"—and we were.

John Hemming: Does the hon. Gentleman accept that this is not ideologically driven but driven merely by the difficulties of our current circumstances?

John McDonnell: I do not believe that many civil servants who will be affected by job losses believe that the Government are seeking to resolve this matter by negotiation, and I am trying to reflect those views. We in this House, and the Government in particular, need to go the extra mile to get back to an atmosphere where there is confidence among the people who may well be threatened with the loss of their jobs, and we need to convince them that there is the opportunity of a genuine negotiated settlement. As I said in Committee, our responsibility is to seek to create a climate in which a just, negotiated settlement can be engendered.

John Hemming: Does the hon. Gentleman accept that the fact that the Government are inserting a new clause that prevents this from being a money Bill is a sign of good faith from them?

John McDonnell: I will come to that.

There has been a litany of disasters during these negotiations. If we want to secure an agreement, we need to try to keep everyone on board. The puerile attempts to divide the unions have been completely counter-productive. The first attempt was to try to insinuate that the PCS negotiator had agreed the terms but had been overturned by the PCS executive. That was put to the PCS negotiator in the Public Bill Committee and it was denied, so it is not true. In fact, the PCS did what it always does as a democratic union—it takes the issues back to the executive. It is probably one of those unions that consults its members more than any other.

The second attempt to divide the unions was by the reference to five unions having agreed a settlement and only the PCS being excluded by refusing to do so. The Minister put out a press release that caused anger among the trade unions. The Prison Officers Association immediately issued a press release saying that letters written to the Minister, in confidence and without prejudice, were put in the public domain. The result is that this week the POA has rejected the deal.

It seems that four of the six unions were originally going to put the deal to their members, but the POA and PCS represent more than 90% of the people who will be affected. They are the unions that we have to convince if we want a negotiated settlement, and they are negotiating on behalf of their members based on what those members tell them through their executive.

2 pm

Mr Maude: The hon. Gentleman asserts that the POA and PCS represent more than 90% of the people affected, but only 60% of civil servants are members of trade unions to begin with.

John McDonnell: I meant 90% of the trade union members with whom the Government are negotiating.

May I tell the Minister what the POA has said about his words? Its general secretary Steve Gillan has said:

"I am annoyed that Mr Maude has leaked without prejudice discussions but I believe this has been deliberate in an attempt to drive a wedge between the POA and PCS. The POA will not allow him to do so."

The Minister's actions have meant that the union has now rejected the deal. Those actions were not responsible, and they were in contrast to the words of comfort that he has used here today and elsewhere in trying to engender a good industrial relations climate.

As my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell) said, Members need to understand the strength of feeling among PCS, POA and other trade union members about the impact that the changes will have on their lives. We have had heart-rending cases submitted to us by people who have entered into mortgages, for example, believing that they had the security that even if they lost their job, they would have redundancy pay that would cover their mortgages. Now, they might lose their homes. We have heard of other people who were expecting significant compensation related to their salaries, one of whom would now lose £90,000 as a result of the Government's proposals. No wonder people are angry and concerned. That is why they want their Government and their trade unions to come together to agree a fair way forward.

Harriett Baldwin: May I ask again the question that I asked earlier? Can the hon. Gentleman see a way for the PCS to agree to any negotiating position?

John McDonnell: Yes I can, and the PCS has written to the Minister again recently asking for meetings. I believe that one meeting has taken place, so there is potential. However, we cannot expect a negotiated settlement to take place when tactics are used that undermine the confidence not only of the PCS but now of the POA. That lack of confidence is now infesting other unions as well.

Mr David Ward (Bradford East) (LD): Does the hon. Gentleman share my concerns about employees beyond those directly affected by the Bill? I am concerned about the hundreds of thousands of employees in the rest of the public sector who will be watching the process closely and wondering what the next stage will be as we rebalance the economy from public sector jobs to private sector jobs.

John McDonnell: I take the hon. Gentleman's point, which is valid and valuable. The Bill sets what many believe is a precedent for what will happen elsewhere, so it behoves us to get it right and ensure that we create a climate in which people at least understand that they will get a fair deal.

The Government's tactic of the use of a money Bill was derisory. This was never really a money Bill, and when we asked for the justification for its being used as one, nothing was forthcoming. I have seen no note from Minister even defining it as such. It was simply a tactic whereby the Lords would have been excluded from amending the Bill, which would therefore have been implemented earlier. This House would have been denied the second opportunity for debate provided by Lords amendments. That tactic had an impact on people's confidence in the genuineness of the Government's approach to the negotiations.

The Government's approach to the concept of accrued rights has been blasé. Their interpretation of accrued rights—that they are not really accrued but are obtained only at the time of a redundancy—seems contrary to not just law but common sense. I cannot see it standing

up in any court of law, and it could indeed be challenged in court. As was said on Second Reading—by the Chair of the Public Administration Committee, I believe—the Bill could be enacted and then the scheme challenged in a court of law and the European courts. The Government could lose again, as they already have once, and then we would have to pay compensation to all the people who had been made redundant in the interim. That is no way to treat people and certainly no way to enact legislation.

I have some anxieties about the Government's new clause, which is why I support my party's Front Benchers' efforts to eradicate it. It is there as a threat that the Government will drive people out of employment on the lowest terms possible. It would also enable them to amend the scheme in future. There are now additional proposals to change the protocol involved, the notice period for redundancy and other matters, which would undermine the protection of people who lose their jobs and the flexibility of a manager to avoid compulsory redundancies, which the hon. Member for Birmingham, Yardley sought.

The Government's handling of the issue has soured the industrial relations climate in the civil service and sent a message to trade unions in other areas, such as health, teaching and local government, that what has come to the civil service unions affected may be visited on them. If the Government do not learn the lessons of the debates on the Bill over the past few weeks, they will provoke industrial action, and that action will be justifiable. Unions will have sought to negotiate a reasonable settlement, but the Government will have played fast and loose with the process, refused to listen and imposed something that will have a considerable effect on the lives of people threatened with the loss of their jobs.

To answer the question that the hon. Member for West Worcestershire (Harriett Baldwin) asked me, the position of the PCS, and now of all the other unions, is that they would welcome the Government going back to the negotiating table for serious negotiations. I urge the Lords to amend the Bill so that it will be brought back here for debate. I welcome the Government's proposals for amendments in the Lords, because they would give us the opportunity for further debate and a further period in which there would hopefully be serious negotiations. They would give this House a long-stop role, so that we could determine whether there had been a just settlement and whether the Bill should therefore pass.

Finally, the House should not underestimate the strength of feeling of public servants on this issue. We have a responsibility to them and to our constituents whom they serve. If we undermine their role in any way through the Bill, we will live to regret it and so will the Government.

Richard Graham (Gloucester) (Con): I am puzzled by the logic of the Opposition's position this afternoon. At the beginning of the Bill's passage, it was agreed throughout the House that every party recognised the need for change. The right hon. Member for Dulwich and West Norwood (Tessa Jowell) tried to bring it about. She introduced her Bill, but she was blocked and prevented from taking it through. The ball passed to the coalition parties, and we have now introduced a new Bill that recognises the bluntness of the instrument required to achieve a negotiated settlement.

We have heard this afternoon from my right hon. Friend the Minister about the deal on the table, which, if I understand it correctly, will offer up to 21 months' pay on voluntary terms, plus a notice period of three months, making a maximum total of 24 months' redundancy pay for all civil servants earning less than £23,000 a year, but based on that £23,000 figure. That is a better deal than the one that the Labour party offered civil servants earlier this year. When the right hon. Member for Dulwich and West Norwood said that she would oppose new clause 1 on the basis that our civil servants deserve better, I was left wondering which civil servants she meant. The truth is that the debate clearly shows that those of us who support new clause 1 do so precisely because we want a much better deal for lower-paid civil servants, which is the whole exercise of the Bill.

Tessa Jowell: Again, I would be grateful if the hon. Gentleman were quite specific on the respects in which the Bill's provisions or those of the improved offer, which are not in the Bill, are better than the February 2010 offer?

Richard Graham: The right hon. Lady asks in which ways the Bill's provisions are better. My understanding is that under the new deal that is being negotiated, a lower-paid civil servant—for example, one on a salary of £10,000—would receive up to 24 months' statutory redundancy payment based on a salary of £23,000, which is better than the deal put on the table by the Labour party.

Harriett Baldwin: One theme that has come up in all debates on the Bill, including in Committee, was that we want better treatment for the low paid. I agree with my hon. Friend. I would have thought that the Opposition would welcome the low-pay aspects of the Bill and the improvement in the negotiating position.

Richard Graham: My hon. Friend is absolutely right. If I may continue where I left off—

Tessa Jowell Will the hon. Gentleman give way?

Richard Graham: May I make some progress first?

Tessa Jowell *rose*—

Richard Graham: I will give way to the right hon. Lady for the third time.

Tessa Jowell *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. Is the hon. Member for Gloucester (Richard Graham) giving way?

The Lord Commissioner of Her Majesty's Treasury (Jeremy Wright): No, don't! She is being discourteous.

Richard Graham: The point that I had reached was that many in the House clearly agree that civil servants deserve better. Those of us who support new clause 1 are absolutely clear—I have talked to PCS members in my constituency—that many members of the trade unions involved do not understand, and are indeed being misled by their unions on, what is on offer and what is being negotiated. I therefore put it to the House that Members who believe in supporting lower-paid civil servants will support the new clause, precisely because those people deserve better. That is what the measure will achieve and why I support it.

Mr Maude: With the leave of the House, Mr Deputy Speaker, I want to make one or two comments at the end of what has been a good discussion of Government new clause 1, Government amendment 1 and the amendments in the name of the right hon. Member for Dulwich and West Norwood (Tessa Jowell).

My first point is that the coalition Government earnestly hope to avoid redundancies. It is in our mind at all times that every job lost, whether in the public sector or elsewhere, represents a personal disaster for that individual and their family. All hon. Members should bear in mind that these are grave matters for a lot of hard-working, dedicated public servants. Everything that we do in government will bend towards trying to find ways to avoid redundancies in whatever way we can.

Sadly, because of the lamentable state of the public finances, which the coalition Government inherited from their predecessor, it is unrealistic to expect that there will be no redundancies. Our concern throughout the Bill is to ensure that the terms on which people are made redundant are fair to the individuals affected and to the taxpayer. The aim therefore must be, as I have said repeatedly, a secure and sustainable negotiated agreement with which all are willing to live.

The hon. Member for Hayes and Harlington (John McDonnell) has said that the PCS wishes to engage and believes that there should be serious negotiation—he is very close to that union—and I wholeheartedly endorse that approach. The negotiations, which I am bound to say have proceeded without the PCS, have been serious and constructive, and that they have been entered into in a spirit of good will. They may have been fractious from time to time, because these are difficult matters that make a great difference to a lot of people's lives, but throughout the process, despite repeated invitations to do so, the PCS has not made constructive proposals.

2.15 pm

When Mark Serwotka came to see me at the beginning of this week—I spent a long time with him—and asked to be allowed to put forward proposals to reopen the proposed new scheme that had been brokered by the representatives of, and negotiators for, the other five unions, I said to him, "Yes, I am willing for that to happen, but the PCS must come forward with serious, constructive proposals." I am still waiting. I want those proposals. I said that they must be discussed with the other five unions, because those unions have put in the hard yards of negotiating among themselves and with the Government on the configuration that best meets their varied needs and requirements.

The PCS must engage with not only the Government—it must do that—but with the other unions, because there is a limit to what can be afforded in these straitened times, and that limit has been reached. Within those constraints, however, there could be scope for reconfiguring the proposed new scheme to meet the PCS's concerns. However, the first port of call for the PCS is to make genuine proposals to, and to engage with, the other unions involved. As I have said, those unions have been involved much more constructively and in a more open spirit than the PCS.

I want briefly to deal with the points made by the right hon. Member for Dulwich and West Norwood, who led for the Opposition, because her position—I will put this as charitably as I can—is somewhat inconsistent. She has said that amendment 4 would remove the caps, which are at the heart of the Bill. That is possible, because new clause 1 would create a power for the Government to impose a new scheme in any event. There is a certain slender logic in that, but I point out that there is a long way to go in the legislative process before that power comes into existence.

That slender logic completely self-destructed when the right hon. Lady said that she would oppose new clause 1. If the House did as she urged, it would not only remove the caps in the original Bill, but deny the Government any power to impose a new scheme in any event. The Government would therefore have no ability reform the existing scheme, which is what she and everyone who has spoken accepts is needed. Frankly, I am at a loss to understand how she can reconcile her opposition to my new clause and her support for her amendments.

Tessa Jowell: For the record, I think I have made the position absolutely clear. The Minister's words were more of a debating game than a substantive discussion of policy. We oppose new clause 1, because it creates no specific obligation to consult. Removing the caps would remove the structure of a settlement that the Opposition believe is profoundly and fundamentally unfair. The settlement is substantially detrimental to 500,000 civil servants compared with our February 2010 scheme, which has been grossly misrepresented by Government Members.

Mr Maude: This is not a debating game. The Bill is deadly serious for hundreds of thousands of hard-working, dedicated public servants. The fact is that the right hon. Lady has today proposed removing everything—the ability to create caps on the existing scheme, which she says needs to be changed, and the Government's ability to impose changes.

Let us look at what the right hon. Lady has argued on new clause 1. She accepts that my new clause is necessary and needed—both words that she has used at times to describe it—but she plans to vote against it on the grounds that it is, she says, an "unbridled power". It is exactly the same power that she herself exercised earlier this year. Did she feel then that it was an unbridled power? Of course she did not, because there is already on the face of the Superannuation Act 1972 a clear and explicit obligation on the Minister to consult trade unions before imposing a scheme. Sadly, she seems to be unaware of that, so I am happy for the opportunity to enlighten her. She followed that obligation, and I undertake to follow it as well.

In the spirit of good will that has—broadly—dominated these deliberations, I have made a clear commitment that if further amendments are needed to make it clear in the Bill that proper consultation must take place before a scheme is imposed, they will be introduced in the other place. However, it must be recognised that as a "bridling" of this power—to adopt the right hon. Lady's word—the legislation already contains an obligation to consult, and it has done so for nearly 40 years.

This new clause is necessary to give effect to a successor scheme to the current unsustainable, unaffordable and frankly unfair scheme, and the whole House accepts the need for that change. I stress again that it is the

Government's aim—we will strain every sinew towards it—to achieve a negotiated scheme that is supported by all six trade unions, in which case neither the caps nor this power will need to be exercised. However, to have any chance of reaching that point, it is necessary to reject the right hon. Lady's amendments and to support the new clause.

Question put, That the clause be read a Second time.

The House divided: Ayes 299, Noes 240.

Division No. 71] **[2.22 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Fox, rh Dr Liam
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Robathan, Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory

Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Young, rh Sir George

Tellers for the Ayes:
Stephen Crabb and Jeremy Wright

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Foster, Mr Don
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme
Morris, Grahame M.
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela *(Penistone and Stocksbridge)*
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Thurso, John
Timms, rh Stephen
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Ward, Mr David
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike

Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Phil Wilson and
Mr David Anderson

Question accordingly agreed to.

New clause 1 read a Second time, and added to the Bill.

Clause 1

LIMITS ON VALUE OF BENEFITS PROVIDED UNDER CIVIL SERVICE COMPENSATION SCHEME

Amendment proposed: 4, page 1, line 1, leave out clause 1.—*(Tessa Jowell.)*

Question put, That the amendment be made.

The House divided: Ayes 238, Noes 316.

Division No. 72] **[2.35 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme
Morris, Grahame M.
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela *(Penistone and Stocksbridge)*
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Ward, Mr David
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Phil Wilson and
Mr David Anderson

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert

Tapsell, Sir Peter
Teather, Sarah
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George

Tellers for the Noes:
Norman Lamb and
Mr Shailesh Vara

Question accordingly negatived.

Amendment made: 1, in title, at end insert:

"; and to make provision modifying the effect of section 2(3) of the Superannuation Act 1972 in relation to such benefits".—*(Mr Maude.)*

Third Reading

2.48 pm

Mr Maude: I beg to move, That the Bill be now read the Third time.

The Bill has been debated extensively on Second Reading and in the good deliberations in the Public Bill Committee. We canvassed the central issues again in the course of today's discussions on the Government new clause and the Opposition amendments. I say again that we are dealing with matters of huge significance to large numbers of dedicated public servants, who are in a state of considerable uncertainty and anxiety about their futures, which I completely understand.

We wish to avoid redundancies wherever that is possible, because we recognise—as everyone in the House should—that every single job lost is a personal disaster for that person and their family. We will therefore do everything we can to avoid them, but where they are inevitable it is important that the terms on which civil servants become redundant are fair, both to the individual and to the taxpayer. That is what we are seeking to achieve. I say again that the Government will strain every nerve to achieve a negotiated new scheme that will make the caps imposed by the Bill unnecessary. That would also mean that the power reinstated by the Government's new clause and amendment that have just been agreed—which simply reinstate a power that previously existed and that was exercised by the right hon. Member for Dulwich and West Norwood (Tessa Jowell)—would not need to be exercised.

The effect of the passing of the amendments and new clause is that the question of whether this is a money Bill no longer arises, so it will move on to the other place and undergo full scrutiny. As I have said, I undertake to introduce further amendments there to clarify and entrench, to the extent that that is needed, the obligation to consult before any new scheme is imposed. I will ensure that that happens and will discuss the content and format of such amendments with the right hon. Member for Dulwich and West Norwood and with the relevant unions.

The Bill remains as essential today as it was when I announced our intention to introduce it back in July. We have made huge progress since in configuring what a new replacement successor scheme would look like—sustainable, affordable and fair. On that basis, I commend the Bill to the House.

2.51 pm

Tessa Jowell: I agree with much that the Minister said, particularly the extent to which the prospects for negotiated settlement on behalf of 500,000 civil servants, although not necessarily the Bill itself, have improved as a direct result of the parliamentary process to date and the probing questions asked by the Opposition. The offer now on the table is substantially improved, and I welcome the Minister's commitment to introduce further amendments in the other place that will substantially improve what we believe to be a profoundly flawed Bill. I also welcome the Minister's commitment to avoid redundancy in every available circumstance. I think that the civil servants who service so diligently the purpose of government will be listening closely to what he says.

Perhaps my final piece of advice is to remember that this settlement will have to remain in place for these kinds of negotiations for a very long time, so I urge the Minister to resist the pressure he is doubtless getting from the Treasury to reach the quickest and cheapest settlement, as that will not extend to those deserving civil servants the treatment that not just they but the country expect.

2.53 pm

John Hemming: In a sense, it is sad not to see massive press interest in an issue that is very important to many people in this country. I am pleased to hear the Minister express the same views as I have expressed on the need to minimise the number of redundancies, and, if there have to be any, to maximise the number who go voluntarily through agreement so that we absolutely minimise the number of compulsory redundancies. This is about the way we manage staff—I have managed staff for more than half of my lifetime—and I believe it is important to work in consultation with people and to tell them what is going on. Discussions and negotiations are crucial. I very much welcome the Government's approach to that.

The reality is that this process was started in July 2009 by the previous Government. This is a continuation of a process that everyone recognises was necessary. The Opposition now think that none of this should be done and they want to oppose it all. It is their prerogative to change their minds, but the reality is that we have to get on with it all and manage a very difficult situation. To that extent, we support Third Reading.

2.54 pm

John McDonnell: Much has been said about the need for the unions to negotiate. Let me be clear about the unions' position, as a number of general secretaries are in the building today. The POA makes it clear in its statement that it has rejected the Government's final offer, but it has left the door open for further dialogue with the Government, which must be meaningful with all the Council of Civil Service Unions present and with no exclusions.

[John McDonnell]

Mark Serwotka of the Public and Commercial Services Union has written to the Government and briefed other MPs to the effect that he is keen to re-enter talks, but stresses again that they must be meaningful. The PCS believes it has worked hard to reach a settlement. Let me quote Mark Serwotka:

"From the outset PCS has worked hard to come to a fair deal. We cannot accept the current offer and are calling for further talks. If those talks do not take place we will continue to oppose the Bill in Parliament and will take legal action when appropriate as we have successfully done in the past."

The two unions representing the vast bulk of the civil service members who will be affected by the Bill are willing to negotiate.

The problem seems to be not the Minister's willingness to negotiate, but the Treasury envelope within which he is negotiating. If that is the problem, I suggest that the Treasury gets directly involved in these negotiations as well, so that it can see that its attempt to gain a short-term saving will have a long-term cost to the Government. That might help to get some productive negotiations going. By the time the Bill comes back from the other place, we might have a settlement across all the unions, but any attempt to try to divide the unions again will, I believe, be counter-productive. We now need to create a climate of industrial relations that will enable these negotiations to take place successfully for all the unions, not just for a small minority.

Question put, That the Bill be now read the Third time.

The House divided: Ayes 309, Noes 242.

Division No. 73] **[2.56 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew

Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Young, rh Sir George

Tellers for the Ayes:
Jeremy Wright and
Stephen Crabb

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leech, Mr John
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme
Morris, Grahame M.
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian

Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Pugh, Dr John
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Russell, Bob
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela *(Penistone and Stocksbridge)*
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Wishart, Pete
Wood, Mike
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Phil Wilson and
Mr David Anderson

Question accordingly agreed to.
Bill read the Third time and passed.

London Local Authorities Bill [*Lords*] *(By Order)*

Second Reading

3.10 pm

Mike Freer (Finchley and Golders Green) (Con): I beg to move, That the Bill be now read a Second time.

This is the 10th London Local Authorities Bill and it is promoted on behalf of the 32 London boroughs and the City of London Corporation, speaking for Londoners. Although many of us would prefer a reduction in regulation and a lessening of the intrusive nature of government both national and local as that is a laudable aim, we have a responsibility to address the real issues facing Londoners.

Mr Christopher Chope (Christchurch) (Con): As he represents Finchley and Golders Green, my hon. Friend will be aware that today is the 85th anniversary of a distinguished predecessor as Member for that constituency, the noble Baroness Thatcher. Has he had a chance to speak to the noble Baroness about whether she agrees with the proposition he has just put to the House, namely that there is an excuse for why we should not be deregulating but that instead we need to regulate more?

Mike Freer: The last time I spoke to the good lady we discussed many things but the London Local Authorities Bill was not one of them. Having said that, however, I know that she took a great interest in the environment. In fact, she was the Prime Minister who pushed through much of the Environmental Protection Act 1990, and many of the regulations we are now seeking to give local authorities power over will allow them to clean up and make the polluter pay. I therefore have no doubt that the good lady would be supportive of the thrust of these proposals even though she is, of course, averse to regulation in itself, as I am too.

The Bill allows local councils to combat the many problems and their effects that we now face in our daily lives. There is a difficulty here in that many of us in this House would like to turn back the clock to a gentler age but, sadly, we live in an irresponsible society in which many traders or other individuals can cause problems for our residents.

The Bill's main purpose is to replace certain existing regulations and consolidate others. The regulations addressed include those dealing with the sale of vehicles on the highway, nudity in bars, tenant safety in houses of multiple occupation and issues that have serious implications for public health. The Bill seeks to introduce clarity into consumer protection here in London, particularly in respect of food hygiene and the sale of vehicles.

I would like to explain some specific provisions, in order to help Members to come to a decision on the Bill. Let me turn first to clause 4—I do not mean to excite Labour Members by referring to that phrase. Clause 4 allows police community support officers and, most importantly, other authorised individuals—predominantly civil enforcement officers—to require people to give their names and addresses when penalty charge notices have been issued. At present, people are not required to provide that information, thus making enforcement difficult. This measure is particularly important

in respect of decriminalised offences such as littering. Those of us who live in urban areas will know the scourge that is the litter left on our doorsteps on a daily basis. That costs all of our councils millions of pounds to clean up. This provision will allow councils to recoup that cost by being able to force those who cause the litter to pay a fixed penalty charge or to pay for the cleaning up. If we believe in the "polluter pays" principle, we should support this provision. Some people might ask whether that is not the role of the police. If we want our police to focus on more serious crimes, it is essential that we allow such low-level crime to be dealt with by civil environment officers and PCSOs. I therefore urge Members to support this clause.

Mr Peter Bone (Wellingborough) (Con): My hon. Friend is making a powerful case, but should this power for police support officers not be a general power decided by this Parliament for the whole country, if that is what Parliament wishes? Why should individual councils have different powers in relation to police support officers?

Mike Freer: It is for the Government to decide whether they wish to give that general power to the police. The difficulty here is that, especially with regard to authorised officers such as civil enforcement officers, there is a gap in the legislation. London councils wish to plug that gap. If my hon. Friend wishes to push, through the Backbench Business Committee or other channels, for the Government to pursue this, I will wish him well and support him. However, we have a loophole in London that needs to be addressed.

Philip Davies (Shipley) (Con): The problem with that is that London is unique: it is visited by large numbers of people from all over the country and my constituents, for instance, would not be used to such a regime in the Bradford district. How are they supposed to feel when they find on a day visit to London that these powers have been given to local authorities in the capital? How are they supposed to know whether the people concerned have got that power or not? They should be able to have an expectation of what powers people in this country have and do not have.

Mike Freer: My hon. Friend makes a good point, but I believe that the basic premise is that abuse of the law is no excuse. If people are seeking to litter in London, they should take the consequences. I am sure my hon. Friend's constituents would do no such thing when visiting our fine city of London, however.

Clause 6 corrects an anomaly. At present, only commercial premises are required to prevent the accumulation of litter outside their buildings. This measure allows all public buildings—whether schools, hospitals or police stations—to be covered by the legislation. Closing that anomaly makes all people responsible for keeping their buildings clear of detritus.

Clause 7 includes the rather peculiar measure of the reintroduction of the power to install turnstiles in public lavatories. I never thought I would be elected to talk about public lavatories. I thought I had left that behind when I left Barnet council. However, this is not the old-fashioned, almost portcullis-type turnstile of the 1960s and 1970s; this is the modern turnstile that we are more used to in tube stations, which is fully disability-accessible. This measure will allow particularly the City of Westminster to use the revenue from the turnstiles to be reinvested in the provision of services, including those facilities themselves. We are asking our councils to do more with less and we expect public toilets, particularly in the centre of London, to help in that. This provision will allow the City of Westminster to continue to provide much-valued services.

Clause 8 is predominantly about the "polluter pays" principle. Those of us who live near fast-food establishments will be increasingly annoyed about getting up every morning to find a line of fast-food wrappers all down the highway or pavement. We are used to the people responsible being prosecuted for the litter they generate, but this measure allows councils to recover the costs from the commercial operator trading from the public highway. At present, the council can recover only the cost of the administration of issuing a street-trading licence. This allows the council to recover the costs of clearing and sweeping the highway, and particularly of taking away the litter generated by that street trading. In this age of austerity, if we are asking our councils to do more with less, we should allow them to recoup the cost of providing such services from those who caused the problem.

Philip Davies: I am puzzled that my hon. Friend blames local takeaway establishments for litter. Surely he would accept that it is not those establishments that cause the litter, but the individuals who visit them. So why does he want to penalise people who are not responsible and let off those who are?

Mike Freer: My hon. Friend makes a very good point, but if he wants to deal with the people who cause the litter, he should support the clause that requires people to supply their name and address when fixed penalty notices are being served. This is a pincer movement, because one provision deals with those who operate the businesses that generate the litter and the other clause deals with those who drop it, and therefore both sides of the argument are covered. The cost of collecting litter in London runs to millions of pounds and it falls on the innocent taxpayer, so either the businesses have to be more responsible or the individuals who cause the litter have to be prosecuted. Either way, the Bill provides the necessary regulations to allow the London councils to get on with it.

Mr Mark Field (Cities of London and Westminster) (Con): I have sympathy with the sentiments expressed by my hon. Friend the Member for Shipley (Philip Davies), because we do not want to have a complicated provision that penalises everybody when, often, the actions of an irresponsibility minority are to blame. Does my hon. Friend the Member for Finchley and Golders Green (Mike Freer) agree that some of the more innovative work has been undertaken in the City of Westminster, although not exclusively there, and that it has aimed at ensuring that as part of a licensing arrangement some of these fast-food outlets must have full-time staff employed outside their establishment—within about 100 yards of it—to ensure that litter is not disposed of there? That takes place at the Oxford street McDonald's, but I am sure that it is not the only establishment where such an arrangement is in place. I hope that such an approach would get around the concerns expressed by my hon. Friend the Member for Shipley. That sort of voluntary arrangement made at the outset should be encouraged.

Mike Freer: My hon. Friend makes a good point. Some operators, such as McDonald's, are very responsible and do provide regular litter patrols. However, other fast-food operators, in particular the smaller ones, but even some of the national chains—I shall not give names, but one is at the end of my road—simply do not provide them. They take no responsibility for the litter that they generate outside their premises, nor do they try to persuade their customers to act more responsibly. The Bill would allow local councils to deal with both instances.

Mr Chope: My hon. Friend must be aware of the concerns of the Society of London Theatre and the Theatrical Management Association. They feel that their members already pay significantly and that this measure will be an additional charge on them. Those bodies have petitioned against the Bill, so what plans does he have to address their concerns?

Mike Freer: We do not know what those specific concerns are; I have certainly not been made aware of the detail, but I would be more than happy to give it some close attention because, as a former leader of a London borough, I have some experience in dealing with street licensing. I share my hon. Friend's concern that many of our businesses pay large sums in business rates, but that money does not go back to the local councils in full. In fact, my local authority is a net contributor of £20 million a year in business rates. I understand the concerns of business, but the real issue, which the Treasury needs to address, is that of having a fair distribution of business rates so that businesses in London do not feel they are paying twice. That does not address the problem we face with litter caused by street trading in London, and it has to be addressed. I do not think it is fair that the council tax payer has to pick up the bill, although I understand the concerns that my hon. Friend raised.

Clauses 9 and 10 are slightly meatier parts of the Bill. They deal with food hygiene, particularly for those businesses involved in the production, processing and distribution of food, requiring them to display their most recent hygiene star rating. In many London boroughs this has been a voluntary scheme and it has performed reasonably well. However, the London boroughs have come together and feel that this needs now to be put on a statutory footing. Over the years, environmental health has become something of a Cinderella service—I hope I am not being too blunt—in that it has been subject to spending reductions. Again, I return to the fact that many London councils will continue to be underfunded and will, in the next few years, have to make ever more efficiency savings and be required to do more with less. Over the past few years, that has led to a risk-based assessment for food hygiene. That means that a good establishment is inspected and receives three, four or five stars and is then left alone for 18 months or so. An establishment that gets one star immediately becomes higher risk and is subject to more frequent inspections, which could take place the following day or the following week. As it is a light-touch, light-regulation regime, the consumer needs some protection. The information on standards should be provided to them at the point of entry to the establishment or should be clearly visible when they are at the establishment.

I do not think that it is unreasonable that food establishments should be required to display their most recent grading. I understand that some members of the British Hospitality Association are concerned that if they get one star, they will be stuck with it. However, a one-star establishment is high risk and will therefore be re-inspected pretty quickly. Nevertheless, I am happy to say that I think that the promoters of the Bill are willing to consider whether those who scored poorly should be able to pay for a quick inspection, if they feel that they have had an off day, in order to improve their score. I think that is quite reasonable.

Mr Bone: I congratulate my hon. Friend on the way in which he is introducing the Bill on Second Reading, which is most helpful to Members. In my constituency, there already seems to be such a scheme. The problem is that, even if an establishment's one-star rating is found on re-inspection the following week to be a blip, the stars cannot be reinstated for a whole year, which has caused one restaurant many problems.

Mike Freer: My hon. Friend makes a good point, but that is not my understanding of how the scheme in London would work. I am more than happy to take that away and to get him some reassurance on it, but my understanding is that if an establishment is inspected on a Monday and gets one star, it is deemed to be an off day. The environmental health officers will probably know whether it is an off day; if they have had cause for complaint about an establishment before, they will know of a pattern of behaviour. If they go into somewhere such as McDonald's and it is a poor visit, they will know that the company takes such matters seriously and that it is likely to have been an off day, but it is less likely to be an off day in a local corner shop that has had a history of complaints, so it will go back on the risk register. I am happy to take away my hon. Friend's point and to confirm whether the inspection would be within a matter of weeks, if requested by the establishment, to ensure that people are not stuck with an unfortunate grading that they felt to be unfair.

Philip Davies: I understand my hon. Friend's point, although I have a fear that this is a solution looking for a problem. Who will know what a star rating means? If I walked into an establishment that had three stars on the outside, I would have absolutely no idea what those three stars meant. I would not know what the criteria were for one star, two stars or three stars. It might satisfy the bureaucratic instincts of the local authority, but it would not add a great deal to the customer's experience. I am not even convinced that local councils are best placed to decide these things. I am sure that according to the bureaucratic monsters in local authorities the jam produced by the Mothers' Union would have only a one-star rating, but I would be perfectly happy to eat it. I am not sure that this is an entirely meaningful measure.

Mike Freer: I am sure that the jam made by the women's institute in Shipley is a fine product. The system with one, two, three, four and five stars is relatively understandable. Most people understand: five stars good; one star bad. My hon. Friend understands a three-star or five-star rating on a hotel, but I suspect that he does not know the mechanics of how that star rating was awarded. If he wants to understand just how the gradings

have been arrived at, that information is available to him and I shall happily forward him the details. Most people seem to understand one, two, three, four and five stars.

Mr Mark Field: Having been out recently with the environmental protection team at Westminster city council and watched them in action, I can give some comfort to my hon. Friend the Member for Shipley (Philip Davies) that these systems, at least in Westminster, work moderately well although, as he rightly says, the test is fairly objective.

My hon. Friend the Member for Finchley and Golders Green (Mike Freer) must be the first person to have mentioned Cinderella in such seasonal terms in only the second week of October, but this is a Cinderella department and there will clearly be downward pressure on costs for local authorities, so my slight concern is that what is deemed, rightly in my view, to be a deregulatory measure might end up becoming awfully bureaucratic, particularly if a massive set of appeals procedures are to be put in place. My instinctive view is that, if we are going down that route, we should have a review every six or 12 months. The idea that the well-funded muscle of large operators can overturn a hygiene ruling in such a way is unfavourable and would militate against small, independently owned and family-run establishments that had fallen foul of clauses 8 or 9 when it came to their hygiene regulation in any year.

Mike Freer: I understand the concern that big operators can dominate the appeals process. That is why larger operators are probably less likely to be high-risk establishments. I understand the concern about burdening our local businesses, but there was an instance in my constituency in which a long-established butcher put many local pensioners into hospital because of its food hygiene standards and the way that chopping boards were used. It was not a chain, but it was a reasonable-sized local business that had been there for many years and had a good reputation among the public. Sadly, it had a bad reputation among environmental health officers. Had there been a grading system on the door, the public might have had a slightly better inkling as to the standard of food hygiene on the cutting boards, which put two or three pensioners into hospital with serious food poisoning. I am keen to avoid regulation, but we have a responsibility, at times, to ensure that consumers have some protection.

Mr Chope: Does my hon. Friend accept that the Food Standards Agency, which has been given a national remit to look into these areas, believes in the principle of voluntarism? It is very concerned about introducing a mandatory requirement for premises to put signs on their doors that might reflect the result of a survey or inspection that was carried out many weeks or months previously.

Mike Freer: I am surprised that my hon. Friend is lauding a national regulatory quango while arguing against regulation. That seems slightly contradictory. Personally, I have no faith in the FSA. In my time as the leader of a large council that had many food outlets in the borough, I had no knowledge of what the FSA did in the borough, of any prosecutions that it brought to bear or of how it improved food standards. London councils, environmental health officers and practitioners on the ground say that we need a system that provides information to consumers so that they can have consumer protection if we are to have a local, light-touch regulatory regime and if we are not to have environmental health officers knocking on doors every week, which clearly is not going to happen.

Let me address clauses 11 to 20 on houses in multiple occupation. The measures give councils the power to issue management notices on the owners of defective HMOs. There are various amendments, one of which is rather minor, regarding the method of doing so—by post as opposed to registered post. One area that my hon. Friends will be pleased about is the simplification of regulation. Currently, if a housing team believe that an HMO operator is operating unsafe premises, they have to go through a fairly convoluted matrix of assessing the risk, the implications, what needs to be done to be put it right and the relevant time scale. That is very resource-intensive, and is particularly onerous if the issue is simply a damaged stair or a wonky banister. The measures allow councils to simplify that process. Normally, that would involve a 24-hour notice period, but the proposal would allow local councils to waive or avoid that 24-hour notice period if a tenant's health or safety were at risk.

Mr Chope: My hon. Friend will know that no less a person than the right hon. Member for Salford and Eccles (Hazel Blears), Secretary of State for Communities and Local Government in the previous Government, has expressed concern about the measure, and indeed opposed part 4 because she believed that further legislation was not necessary. She was particularly strongly against the idea of giving powers in relation to the fitness of HMO stock in London that were not to be given for the rest of England. To what extent will the Bill's promoters respond to those concerns, because they do not seem to have responded to them so far?

Mike Freer: My understanding is that the promoters have responded in that the power to seek entry is now restricted to the directors, assistant directors and one named individual, and is no longer a more wide-ranging power for members of the housing team. The proposers have offered that restriction and I am sure that we can deal with the matter if the Bill is considered in Committee.

Mr Chope: I am grateful to my hon. Friend for giving way once again and I am sorry to have to criticise him on this matter. If he looks at the report produced by the former Secretary of State, he will see that there were two separate issues: total opposition to everything contained in part 4 and concerns over provisions relating to powers of entry under clause 21 in part 5. I accept that modifications have been made in the latter case, but he will also be aware that, even subsequent to that, the former Secretary of State was still not quite sure that those concessions or amendments were sufficient.

Mike Freer: I cannot speak for the Secretary of State or the former Secretary of State, but perhaps the Minister wishes to give us some insight into the Department's view. I am sorry to land him in it, but I cannot speak for him. I understand the concerns, but having a power of entry that is restricted to named individuals or senior members of the housing team is not unreasonable if a tenant is at risk.

[Mike Freer]

I point out to my hon. Friend the Member for Christchurch (Mr Chope) the fact that many HMOs are now operated by offshore companies or overseas owners. Therefore, tracking people down and serving a notice can be particularly difficult. This proposal would allow housing officers to gain access in circumstances where they might be frustrated by an absentee landlord. I am sure that the specific issue and the concerns expressed by the former Secretary of State can be addressed if the Bill reaches Committee.

John McDonnell (Hayes and Harlington) (Lab): The hon. Gentleman has raised an important issue. This is the position: since 2004, the problems of HMOs, particularly in London, have magnified significantly, as every local authority is reporting. The view in 2004 was that certain powers were not required, but local authorities have now made it clear that they are certainly required, as reflected by many constituency MPs. The House must remember that the London Local Authorities Act 2004 took some powers away from local authorities. If we had those powers now, we could use them in these instances.

Mike Freer: I am grateful to the hon. Gentleman for that intervention.

Mr Mark Field: I thank my hon. Friend for giving way; he is being generous with his time. While I entirely endorse what has just been said, particularly in relation to a number of ownerships that are in the Cayman Islands and some offshore companies that are difficult to police properly, these proposals also raise another rather obvious question, which is, who polices the policeman? Some of the worst offenders are local authorities, through either arm's length management organisations or directly owning property in multiple occupation. Where are the powers for individuals or other interested parties to be able to stand up and say that local authorities, which have some say in the running of particular properties, should also be subject to the powers being brought into play under clauses 11 to 20? It seems to me essential that there should be such protections, because in some cases local authorities are the worst offender in such instances.

Mike Freer: My hon. Friend is quite correct, but the big difference between a local authority or an ALMO and an offshore HMO operator is that the local council has democratically elected members who are responsible and accessible to their local residents. If council tenants, ALMO tenants or housing association tenants have a grievance about the way their stock is being managed, they have direct access to the board of the ALMO, which often includes local councillors, or to the local council.

Although I appreciate that there may be difficulties, the major problem with HMOs is not with local authority stock. If the Government are seeking to loosen the regulation on HMOs and move to light-touch regulation, there must be checks and balances that do not allow us to abdicate responsibility. There must be some form of safety net to ensure that local authorities have the ability to step in if they believe that an HMO operator is putting tenants at risk, however deregulated the market becomes.

Simon Hughes (Bermondsey and Old Southwark) (LD): I am a temporary substitute for my hon. Friend the Member for Carshalton and Wallington (Tom Brake), who has had to go to a ministerial meeting. He and I have both been troubled by the provisions relating to power of entry. Is not the way to protect the rights of absentee occupants under part 5 to make sure that there is a code of practice to back up the way in which senior housing officers or their nominee behave?

The wording is relatively loose because it is a survey in which any delay is likely to give rise to unnecessary and imminent risk. That is serious, but intervention could take place more often than any of us would like. Members will need careful reassurance in Committee that the measure does not allow an officer of the authority to go in without giving an account, maintaining a record and knowing when permission has been granted. A code of practice is needed, as well as a clear record that is examinable as to when it was applied for, why and what the outcome was.

Mike Freer: The hon. Gentleman makes a good point. If we get to Committee stage, we can consider defining reasonable grounds for entry and the provision of a record of why, who and when. The problem is not insurmountable.

I shall make progress and deal with some of the other significant clauses, particularly clauses 26 to 28. Members are aware that there have been problems in Westminster concerning hot dog vendors. The City of Westminster has been effective in dealing with those rather disreputable vendors, and the proposal allows the council to confiscate the trolleys as they hit the pavement. It provides Camden council with the same powers. I should point out that the measure does not impact on street pedlars, a subject in which some colleagues in the House take a particular interest.

Clause 25 deals with a problem in many residential areas. Historically, we have seen lines of parked cars for sale causing an obstruction, particularly in residential streets, and causing a nuisance to local residents. These unregulated car dealers have got round placing a handwritten note in the window by advertising the cars on the internet, and possibly holding out as a private seller, meeting the potential purchaser on the pavement. The proposal allows councils to prohibit that and gives some consumer protection to local residents from such rogue traders.

Mr Chope: Will my hon. Friend give way?

Mike Freer: Indeed. *[Interruption.]*

Mr Chope: I am sorry that the Whip thinks it unreasonable for my hon. Friend to give way. I think it is very reasonable for him to give way. That is how we make progress in the House on contentious legislation. Can my hon. Friend explain whether the vehicles that he has in mind are already licensed with the Driver and Vehicle Licensing Agency, and whether they have resident parking permits if they are in areas with residents parking? If they have those permits and the licence has been paid in respect of each of those vehicles, what is the problem?

Mike Freer: The problem is that it is already an offence to advertise cars for sale on the highway. Even if the seller is a private resident selling a car outside his

own house, that is an offence. Over the years we have seen a proliferation of rogue dealers with five, six or 10 cars for sale on the highway, previously with handwritten stickers in the window, pretending to be private sellers. Purchasers would not get the consumer protection that they would by buying from a normal dealership. Owing to the prohibition of such advertising, people have moved their activities on to the web, so the Bill allows for the same prohibition to apply to sales on the internet. It does not affect people trying to sell their own car through a local newspaper; it enforces the existing law, whereby it is illegal to sell a car on the highway, and extends it to the internet.

Simon Hughes: Will the hon. Gentleman give way?

Mike Freer: If I could wind up—

Simon Hughes: One last question?

Mike Freer: Okay.

Simon Hughes: The Whip's not looking; he's slipped out of the Chamber for a second.

Will the promoters of the Bill, in collaboration with Ministers, look at whether the same power for dealing with hot dog trolleys—the power to nick them if there is abuse—might apply to car salespeople who put cars on the road outside their premises? That has been a frequent problem in Rotherhithe, with firms selling second-hand vehicles that are always parked illegally on the road. They have never been effectively stopped, and it seems to me that the way to deal with it is to give the local authority the power to remove the car if it is parked illegally on the highway.

Mike Freer: My hon. Friend makes a good point, but the Bill deals with only the removal of an obstruction on the pavement. It is a valid point that I am more than happy to take away to the Bill's promoters, however.

I understand that many Members might be concerned about increasing the regulatory burden, but I urge them—

Mr Chope: Will my hon. Friend give way before he finishes his speech?

Mike Freer: I shall make progress, because I have been generous with my time.

We need to ensure that Londoners are protected. Consumer protection is important, and the Bill will not only allow local councils to adopt regulations when it suits their local needs, but more importantly put information at the disposal of London residents for their own protection.

Mr Deputy Speaker (Mr Lindsay Hoyle): I call Chris Williamson. Welcome to the Front Bench.

3.47 pm

Chris Williamson (Derby North) (Lab): Thank you very much, indeed, Mr Deputy Speaker. I am absolutely delighted and somewhat surprised to speak from the Dispatch Box for the first time today, particularly as it is so early in my parliamentary career. It is an incredible privilege, and I genuinely look forward to my exchanges with the Minister in the weeks and months ahead. I am sure that on most occasions we will take entirely different positions, but the Opposition support this Bill, and I believe that the Government are of a similar mind.

The arguments in support of the Bill have already been made, and I do not want to detain the House any longer than is necessary, but I pay tribute to the hon. Member for Finchley and Golders Green (Mike Freer), the former leader of Barnet council, who eloquently set out the rationale behind it.

I shall briefly set out our support for the Bill. It is worth reminding the House that the Bill has already been agreed to by all 33 London local authorities. As the House will know, London's councils are controlled by all three main political parties, and, although they may disagree on many issues, on this Bill they speak with one voice. It has been subjected to detailed scrutiny for almost three years by those local authorities and, indeed, by Parliament, too.

Many of the Bill's provisions are eminently sensible. For instance, it gives local authorities the powers to install turnstiles in public lavatories when they consider it appropriate to do so. That measure is necessary because the Public Lavatories (Turnstiles) Act 1963 prohibits the use of turnstiles in any part of a local-authority owned or managed public toilet. The Bill contains many other reasonable provisions.

Mr Bone: On that point, if Parliament has expressed a view nationally about turnstiles, why should there be an exemption for one particular local authority?

Chris Williamson: The measure was asked for and debated at length by the local authorities. Indeed, there have been debates in this House about the Bill's provisions. If Members have difficulties with specific aspects, then surely the appropriate time to raise them in more detail would be in Committee.

Let me point out some of the other very reasonable provisions contained in the Bill, which include powers to recover any additional cleaning costs where businesses put out tables and chairs on the street, and the right to improve the regulation of strip clubs. It also provides the ability to put on a mandatory footing the Scores on the Doors scheme, which is an initiative that has driven up food hygiene standards in pubs, bars and restaurants all over London. That should be welcomed.

The Bill is not prescriptive and does not require local authorities in London to do certain things; it simply gives them the powers to use as they see fit. In the end, it is up to local authorities themselves to deploy the powers at their disposal in the interests of the communities they represent. On that basis, I am pleased to offer our support for the Bill.

3.50 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): I congratulate my hon. Friend the Member for Finchley and Golders Green (Mike Freer) on the way in which he introduced the Bill. I pay tribute to the Bill's proponents, who continue an established tradition for London local authorities in bringing forward private legislation. I also congratulate the hon. Member for Derby North (Chris Williamson) on a very assured debut at the Dispatch Box and on his swift appointment. Indeed, I welcome a very considerable percentage of the new shadow Communities and Local Government team. All I can say is this: welcome to the merry world of local

[Robert Neill]

government private legislation. I am delighted to see them there, and I hope they will not take it ill if I wish them a long tenure on the Opposition Benches.

From a localist perspective, I broadly agree with the sentiments of the hon. Member for Derby North. The Bill should be enabled to make progress. However, it may be helpful if I indicate aspects where the Government have concerns and flag up some areas where further attention may be appropriate as the Bill progresses.

Several of the Bill's provisions are to be welcomed as a genuine step forward, such as those in clause 6 which tackle the proliferation of smoking-related litter outside buildings. Indeed, I understand that the Department for Environment, Food and Rural Affairs is looking for opportunities for primary legislation to introduce a similar change across England. Similarly, clause 33 represents a valiant attempt to deal with enduring problems in dealing with litter emanating from vehicles. At the same time, it remedies a drafting error in the original legislation—the London Local Authorities Act 2007—which rendered the provision inoperable, so there is value-added there as well.

The Bill has had a pretty long gestation; it came into being during the tenure of the previous Administration. Following the change of Government, Departments continue to consider the provisions, in some cases, and will want to scrutinise them with a view to the current legislative programme and in terms of the coalition agreement and the Government's current priorities. For example, my colleagues in the Home Office will wish to reflect on some of the provisions in clauses 4 and 5. I understand the point that is made as regards their advantages, but we need to be cautious in extending powers to issue fines beyond recognisably uniformed police and police community support officers. While not ruling it out, we must be proportionate and avoid a proliferation of fines for what might be perceived as genuinely minor breaches, as that might create in the public a sense of unfairness.

Mr Mark Field: I strongly support much of what is in the Bill, but I have some concerns about these penalty charges. We all know as London MPs—or perhaps I have a particular problem with this—that we get a huge amount in our postbags from local residents or people from outside Westminster concerned about the antics of traffic management people putting tickets on cars. Extending penalty notices, particularly giving a power to PCSOs, creates the risk that there will be a perception, at least, of rather untrammelled and somewhat arbitrary powers being utilised by local authorities. Returning to the point made by my hon. Friend the Member for Shipley (Philip Davies), it may also be somewhat confusing for many people who do not live in London when they suddenly realise that there is an entirely different set of regulations whereby they can fall foul of expensive fines for fairly minor breaches of whatever civil code might be in place. We need to pin this down, as far as we can, to ensure that that level of arbitrariness and untrammelled power is kept to an absolute minimum.

Robert Neill: My hon. Friend makes a fair point, but rather than regard that point as fatal to the Bill's future progress, the right approach is to say, as I will in relation to other matters, that I hope the Bill's promoters will discuss with officials in the relevant Departments how they might seek clarification and improvements. I am grateful to him for highlighting that matter.

Similarly, we have to ensure that there is fairness in relation to the provisions in clause 8 for pavement charges. I understand the argument behind the clause, but equally we must ensure that an undue burden is not placed upon small local shops. We need to ensure proportionality.

Simon Hughes: May I reinforce that point clearly? The danger is shown in the service charges for people who have bought their property from the local authority, which we all know about. They end up being far higher than anybody ever envisaged, even though they are technically "reasonable" in law. The ability to deal with what is called "street furniture"—tables and chairs—is important, but within limits it should be permitted wherever possible. We need to ensure that local authorities do not give themselves powers that prevent cafés and restaurants from allowing people to sit outside, which is often much healthier than sitting inside.

Robert Neill: I have enjoyed sitting outside the occasional premises myself in the past, and the hon. Gentleman is right. It is entirely a question of getting the right balance, and I hope that we can do that with some good will as the Bill makes progress.

Mr Chope: Will my hon. Friend give way?

Robert Neill: I will on this occasion, although I might not be as generous as the Bill's sponsor throughout the whole debate.

Mr Chope: I find that rather disappointing, because I do not seek to intervene unless I have a question.

The Minister says that he and Ministers from other Departments such as the Home Office will have to reflect on the contents of the Bill, but it has been around since 2007 and the coalition Government have been in office for many months. How will those deliberations reach a conclusion, and how will it be communicated to the promoters of the Bill and other people who are interested in the subject?

Robert Neill: I do not believe the Department for Communities and Local Government can be accused of having twiddled our thumbs unduly. In fact, a number of people would argue the contrary. Our officials are already in discussions with the promoters of the Bill, as are those of other Departments. Difficulties sometimes arise because a number of Departments have an interest in a Bill of this kind, and it is important to get it right, so I do not believe there can be any criticism of the current Government. It is in the nature of private Bills that they sometimes progress more slowly than other types of legislation. I do not intend to disappoint my hon. Friend gratuitously when he seeks to intervene, but equally I am sure that the House will want to make progress.

I wish to touch upon a matter where I understand the point that my hon. Friend and other Members have made. The Government have made a clear pledge to reverse the erosion of civil liberties and roll back the

state's power to intrude on citizens. That is an important principle and may be pertinent in considering some of the provisions on houses in multiple occupation in parts 4 and 5 of the Bill, which have been mentioned. It may help if I offer a little detail.

The Housing Act 2004 introduced a range of measures intended to improve the management standards and condition of privately rented accommodation such as HMOs. It provided local authorities with extensive tools and powers to take action when the condition or management of HMOs falls below required standards. It introduced mandatory licensing of larger, higher-risk HMOs and provided local authorities with the discretion to extend licensing to other categories of HMOs to address particular management problems in smaller properties. It also introduced management regulations for all HMOs, regardless of whether they are licensable, which local authorities can use to take action when they find management problems in specific properties.

HMO licensing works alongside the housing health and safety rating system, which was also introduced in 2004, under which local authorities can make a risk assessment of the likely impact of property condition on occupants of privately rented accommodation. When that happens and when a category 1 or 2 hazard is identified, local authorities have powers to impose improvements.

Of course, failure to comply with an improvement notice and a breach of the HMO management regulations are already criminal offences. Both the licensing and the housing health and safety rating system regimes provide local authorities with an extensive enforcement framework to take action in cases in which the condition and management of HMOs fall below required standards.

Therefore, with regard to part 5 of the Bill, the existing powers-of-entry provisions in the Housing Act 2004 provide local authorities with extensive powers to enter properties and to take immediate enforcement action in cases in which the condition and management of the property falls well below required standards. In such cases, local authorities are required to give a minimum of 24 hours' notice to the owner and occupiers of a property prior to an inspection. However, in emergency cases—those that involve an imminent risk of serious harm to the health and safety of any occupier of a property or when it is suspected that an offence has been committed in relation to HMO licensing—local authorities may enter the property immediately without giving notice. The legislation also requires authorisation by a deputy chief officer to ensure that such powers are used in the appropriate circumstances, where the severity of the case warrants emergency action.

As I have said, the Government pledged to reverse the erosion of civil liberties and to roll back the ability of the state to intrude on citizens. Extending the powers of entry beyond those that exist would therefore, on the face of it, tend to undermine the purpose of the freedom Bill, which is delivering a key objective of the coalition Government. We have also made it clear that we do not propose to introduce new burdens on the private-rented sector. The Government therefore oppose parts 4 and 5 of the Bill. However, I recommend further consultation between the Bill's proponents and my officials at the Department for Communities and Local Government to see whether improvements can be made that sit in harmony with the Government's wider civil liberties ambitions.

Mr Bone: I am grateful to the Minister for the great attention he is giving to the detail of the Bill. Clearly, the Government have reservations about some aspects of it. Are they interested in a localism that derives from moving more general powers to local authorities to decide such matters, or will such private business continue to have to come through the House?

Robert Neill: As my hon. Friend knows, the Government are committed, through the localism and decentralisation Bill, to giving a wider range of general powers—for example, a power of general competence—but equally, it will sometimes be more appropriate and proportionate to give more specific flexibilities, such as those in the Bill. Both approaches can be part of the mix.

May I turn to the issue of entertainment involving nudity, which is addressed in clause 23? When the measure was considered in the House of Lords, the previous Government argued that it should be deleted. Clause 23 would amend the Licensing Act 2003 to allow local authorities greater powers to regulate lap-dancing clubs by allowing them to impose clauses on premises' licences to prohibit entertainment involving nudity. That, I believe, is motivated by the concern that their powers under the 2003 Act are insufficient to allow them to prevent lap-dancing clubs operating within their area, or within certain parts of their area, or to regulate the nature of the entertainment provided within lap-dancing clubs.

When the measure was considered in the House of Lords, the previous Government sought its deletion because at the time, they were seeking the views of local authorities nationally. As a result of that consultation, they introduced legislation. Section 27 and schedule 3 to the Policing and Crime Act 2009 amended the Local Government (Miscellaneous Provisions) Act 1982 to allow local authorities the power to regulate lap-dancing clubs as sex establishments. This provides local authorities with much greater powers than those provided by the Licensing Act 2003, and those that would be provided by clause 23.

In opposition, we broadly supported the amendments to the Local Government (Miscellaneous Provisions) Act 1982 as they went through Parliament, and we remain supportive of those measures. As such, we believe that it would improve the Bill if clause 23 were deleted. It could complicate the licensing framework in London, and possibly undermine the new legislation in the Local Government (Miscellaneous Provisions) Act 1982. Given that since the London Local Authorities Bill was introduced Parliament has introduced national legislation to deal with the same issue that clause 23 seeks to address, it is no longer necessary and Home Office Ministers may well seek to have it removed. I hope that the sponsor of the Bill will reflect on that point as the Bill progresses.

Simon Hughes: I hope that that point will be accepted by the sponsors and that we end up with a regime that gives discretion on whether to allow nudity or partial nudity without taking too puritanical a view. However, often the problem is not that people are appearing in the nude, but that some of them were pressured into the job by being trafficked. That is the issue, not whether adults should be able to go and see what they want to see in licensed premises, which should clearly be permitted where possible.

Robert Neill: I understand and sympathise with the hon. Gentleman's point, but he will recognise that that is a wider issue than the provisions of this Bill.

Philip Davies: Will the Minister give way?

Robert Neill: I must draw my remarks to a conclusion. I have been generous so far—

Philip Davies: Not to me.

Robert Neill: There is an argument about whether fairness includes desserts, but I will give way to my hon. Friend.

Philip Davies: The Minister has picked up a point made by my hon. Friend the Member for Wellingborough (Mr Bone). I agree with the point that he has just made about sex encounter establishments and that, in that regard, the legislation is unnecessary. Will he consider those aspects of the Bill that are worth while—and that would therefore be worth while for every local authority—and introduce legislation to cover the whole country, so that we do not have to do this piecemeal, authority by authority?

Robert Neill: I hear my hon. Friend's point and I have already set out some of the aspects of the Bill that we think are advantageous and why we wish to see it make progress. I am not sure that my hon. Friend is in a very localist frame of mind, and we may therefore have to part company on the ultimate destination of the Bill.

I am grateful for the opportunity to speak. I hope that my observations are of help to the House and the promoters of the Bill, and I again reiterate my offer of consultation in those areas about which we have reservations. We are committed to giving local authorities more flexibility to reflect local needs and priorities and it would therefore be appropriate for the Bill to progress further. We will seek amendments in Committee to address the areas of concern that I have highlighted.

4.8 pm

John McDonnell (Hayes and Harlington) (Lab): I want to speak briefly on a point of constituency interest. I am especially concerned about the powers in regard to houses in multiple occupation, and I am grateful to the Minister for offering further consultation in that area. The existing situation is not working for my constituency. We have seen the growth of buy-to-let schemes into small and large HMOs, which have been the bane of my constituents' lives, whether because of mismanagement in a particular street or the safety of people living in them.

I know that London local authorities have gone through an exhaustive process of consultation and come forward with the Bill. They have identified problems with the ability to identify the landlord of an HMO, or to achieve prompt entry into premises to inspect or take remedial action. I accept what the Minister has said about the powers in existing legislation, but they are clearly not working, especially in London. As the capital city, London has seen immense growth in HMOs, because of housing problems, so the situation in some constituencies has become nightmarish.

The previous Government introduced increased planning powers to try to deal with the matter, but in some ways the current Government have watered them down. I regret that, but the Bill gives the opportunity for more direct, prompt and forceful action to be taken to address some of the problems from which my constituents are suffering. I hope that the consultation will be timely and enable us to pass the legislation, in some form, after the Committee stage.

Finally, the sale of cars on streets has been a nightmare problem in my constituency. We have tried using traffic restrictions, but there are some streets with no traffic restrictions where the whole street has effectively been used as a garage for the sale of cars. We have taken action and resolved the problem where we have seen notices advertising cars for sale with telephone numbers on them. I congratulate my local authority on the work that it has done, but the problem has moved on. The use of the internet now means that those car salesmen can effectively bypass the existing law. I therefore welcome the conditions in this legislation. In a former life, I was responsible for the promotion and drafting of such Bills, but from my past practice, I have never known one to be in gestation for as long as this one. I hope that we can eventually implement it and that that will happen as soon as possible.

4.11 pm

Mr Christopher Chope (Christchurch) (Con): It is a great pleasure to participate in this debate. If some of us had not objected to the Bill going through on the nod on Second Reading, we would not be having this useful debate. We would not have heard my hon. Friend the Member for Finchley and Golders Green (Mike Freer explain why he thinks the Bill is a good one, nor would we have heard the Minister say what he thinks all the Bill's shortcomings are. He suggested that clauses 11 to 22 inclusive should be deleted, because he does not support them, and that clause 23 is redundant. It is useful to get that on the record.

This has also been a useful debate because we have been able to welcome the hon. Member for Derby North (Chris Williamson), who made his maiden speech from the Opposition Front Bench. It must be approaching a record to be able to speak from the Front Bench so soon after being first elected. I congratulate him on that, and I listened with interest to some of the things that he said. I cannot accuse him of saying something inconsistent with what happened under the previous Government, which is one of the strengths of being a completely new Member with a shadow ministerial office.

I have a number of concerns about the Bill. Many of them centre around the principle of whether we need to regulate more and whether we need to do so proportionately, and the need to ensure that we listen to groups of people—sometimes quite small groups of people—who are potentially adversely affected or treated unfairly as a result of private Bills. That is why it is so important that such Bills should be considered carefully in Committee, as I am sure this Bill will be in Opposed Private Bill Committee. The Bill is already the subject of petitions against it, some of which I referred to in my interventions on my hon. Friend the Member for Finchley and Golders Green.

I shall begin by dealing with the concerns of the Society of London Theatre and the Theatrical Management Association.

Mr Bone: Will my hon. Friend clarify for the House that what we are doing today—deciding whether to give the Bill its Second Reading—is about the principle of the Bill? Also, is it not unusual to have so many different things in private business? I have spent hours considering private business, but it is normally about a specific, single thing for a specific area. This seems to be a very wide-ranging Bill.

Mr Chope: I agree with my hon. Friend that this is a very wide-ranging Bill. The fact that it is the 10th such Bill to emanate from London local authorities in a reasonably short space of time shows that London local authorities are pushing at what are reasonable bounds on the powers that they should be taking in legislation. They keep trying to extend those bounds, taking more powers for themselves; indeed, there are powers in the Bill that I think go too far. The consequence of what my hon. Friend has described so pertinently—the fact that the Bill contains a large number of contentious clauses—is that unless its promoters listen to reason and allow it to be amended, it will find it jolly difficult to make fast progress through the House. Even it were to sail through the Opposed Private Bill Committee, it would encounter the same kind of difficulties on Report that the pedlars Bills were up against during the last Parliament.

Significantly, my hon. Friend the Member for Finchley and Golders Green did not refer to the pedlary and street trading provisions in this Bill, but the Bill contains powers to seize commercial goods on the ground not of reasonable belief but of reasonable suspicion that an offence has been committed. We brought in the reasonable suspicion test, reluctantly, under anti-terrorism legislation. It is draconian in the extreme to seize people's goods or interfere with their liberty on the ground of reasonable suspicion that they might have committed an offence. Because of the strength of that argument, amendments replacing the term "reasonable suspicion" with "reasonable belief" were accepted by the promoters of the Bournemouth Borough Council Act 2010 and the Manchester City Council Act 2010—two pedlars Bills that reached the end of their proceedings during the last Parliament. The fact that no such amendments have been offered by the promoters of this Bill represents a pretty bad prospect for the Bill, because it suggests a certain intransigence and resistance on the part of the promoters to listen to reason. It might also suggest that they want to give themselves extremely wide powers to seize goods. I believe that such powers go far beyond what is reasonable.

Philip Davies: As my hon. Friend knows from our debates on the pedlars Bills, I agree with him wholeheartedly on this matter. I believe, however, that this Bill is worse than those Bills. It deals not only with a suspicion that an offence has been committed, but with a suspicion that an offence might be about to take place. A person could be suspected of being about to commit an offence that might take place. Furthermore, in addition to property being confiscated on that basis, the Bill would also confer a power to confiscate the vehicle in which the property was carried. The idea that central Government are bad and local government is good is surely wrong; the problem in both cases relates to the word "government". We should not allow any government, local or central, to have such draconian powers.

Mr Chope: I agree with my hon. Friend. I am sure that, when hon. Members start to look at the detail of these provisions, they will be as concerned as he and I are about their implications for civil liberties. I hope that the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) will report back to his colleagues in the Home Office and the Ministry of Justice on our concerns about these fundamental issues of human rights and individual liberty.

Philip Davies: I am grateful to my hon. Friend for allowing me a second bite of the cherry. Does he agree that it is unacceptable for the Government to hide behind the idea of localism on these matters? They should not be allowed to say that local authorities are entitled to do anything they want to, simply on the basis that such decisions are being taken locally. Surely localism must come with some responsibilities.

Mr Chope: Absolutely; I hope that that is what the Government believe as well, even though my hon. Friend has expressed his concern that that might not be so. Time will tell.

"Localism" is a good term, but it was rejected by Front Benchers in relation to pedlars. I remember Front-Bench colleagues during the previous Parliament arguing that there was a strong case for having national legislation on pedlars, so that there could be consistency across all local authority areas. There is also an enormously strong case for saying that we need consistency in the application of the criminal law, and that people should not have their goods seized unless there is a reasonable belief that they have committed an offence.

May I briefly revert to the petition of the Society of London Theatre and the Theatrical Management Association, as I do not think that my hon. Friend the Member for Finchley and Golders Green really addressed the concerns set out in it? They are concerned that commercial theatre in London, which is not finding it easy in the present economic climate, is going to be burdened with additional charges as a result of clause 8. The petition submits that its members are already making their own arrangements for the cleaning of the pavement and so forth, and that the basis for the additional charge has not been made clear. The petition submits that the existing wording of section 115F of the Highways Act 1980 is sufficient in so far as it enables London borough councils to recover their reasonable expenses in connection with the granting of permission to put items on the pavement. I hope that the promoters will address that concern before the Bill makes further progress.

Let me move on to clauses 9 and 10, which deal with what is colloquially known as Scores on the Doors—a system intended to ensure that the people providing catering services at retail food outlets have to display their standing by putting up a notice in the window. A petition against this has been drawn up by the British Hospitality Association and another petition has come from the pubs organisation, the British Beer and Pub Association. Both those petitions highlight the fact that there should be a voluntary aspect to this scheme, but London councils are usurping the position of the Food Standards Agency, which has already said that it thinks these issues should be a matter for voluntarism.

[Mr Chope]

My hon. Friend the Member for Finchley and Golders Green has said that he and his council have no faith in the Food Standards Agency. If he brings forward a Bill to abolish the Food Standards Agency, my hon. Friend the Member for Shipley (Philip Davies) and I will strongly support it. In fact, we put in a bid to become co-sponsors of such a Bill, but unless and until the Food Standards Agency is abolished, the reality is that it has the responsibilities given to it by Parliament. It ill behoves a group of councillors, however experienced they might be, to second-guess that organisation and say that it has no faith in it and is therefore going to try to duplicate its role and go further than it has gone.

Chris Williamson: Does the hon. Gentleman agree that it is appropriate for local authorities to seek to protect the public whom they represent? Does he not accept that the Scores on the Doors scheme has had the effect of driving up standards in pubs, clubs and restaurants that provide foodstuffs for the general public?

Mr Chope: The hon. Gentleman's intervention is timely, as I was just going to refer to Scores on the Doors, which has been described as a national food hygiene rating scheme. I downloaded material on it from the internet earlier today, which made it clear that Scores on the Doors is a commercial organisation, describing itself as

"the No. 1 national food hygiene rating scheme",

enabling official local authority hygiene ratings for food businesses to be found.

Scores on the Doors is the largest such scheme in the world, but it does not cover all local authorities. According to the internet site, there are 124 contributing councils, but interestingly not all the London councils are included in that number. It does not include the London borough of Wandsworth, which I had the privilege to lead some years ago. I am immediately alerted to the fact that even the Scores on the Doors scheme is not universally accepted by London boroughs, let alone by councils more widely across the country.

Someone wishing to search for one of the premises listed on the internet will find that there are 145,931 of them. That is the number of premises that will be affected by legislation second-guessing the Food Standards Agency and introducing a national requirement, subject to criminal penalties for non-compliance. I looked for a reference to a restaurant in my area, but to gain further access to the website I had to accept a general disclaimer. The disclaimer is quite interesting, because it shows that even Scores on the Doors is by no means a panacea:

"The information on the food premises listed here is held by us on behalf of our member local authorities. By accepting this disclaimer, you are submitting a request... to the relevant local authority for the disclosure of summary inspection reports under the Freedom of Information Act 2000."

It also states:

"The information... has been gathered by authorised Environmental Health Officers".

However, it goes on to say:

"The hygiene rating given to premises on this web site has been based on the latest Primary Inspection carried out and as such represents the situation as found by the officer on the day of that inspection. Therefore the score may not be representative of the overall, long-term food hygiene standards of the business and should not be relied upon as a guide to food safety or food quality."

Yet the London boroughs are seeking not only to encourage but to require premises to put up signs which are meaningless. If they do not do so, they will be subject to penalties up to scale 3. If they deface the signs—perhaps by adding material from the internet, such as the extract that I have just read out—they may be subject to a penalty on scale 5.

The situation is ludicrous. I am sorry that my hon. Friend the Member for Finchley and Golders Green did not have a chance to go into more detail, because if he had done so even more people would be saying that the Bill goes far too far, and that it would be best to make a fresh start.

Mr Bone: In my constituency, many restaurants enter the scheme voluntarily, which is fine. However, the rating is a snapshot of a single day, and it can cause great concern to people who are given a bad rating one day and cannot get it altered the next day. It is quite proper for restaurants to have a right to opt into the scheme, but it seems wholly wrong to compel them to enter it.

Mr Chope: I entirely agree. The disclaimer states:

"Food premises may only be inspected every 6-36 months as specified in the Food Standards Agency Code of Practice."

There is the potential for an enormous amount of damage to be caused to the reputation of commercial businesses that will have to stick on their doors something that is unrepresentative of the true position.

Philip Davies: I congratulate my hon. Friend on wiping the floor with this part of the Bill and illustrating so effectively what nonsense it is. The shadow Minister, the hon. Member for Derby North (Chris Williamson), said that the Scores on the Doors process had already raised standards. If the voluntary scheme is working well and raising standards, and if seeing the stars on display is so important to customers, will customers not instinctively prefer to visit only the restaurants that display their stars? If a restaurant or other food establishment chooses not to display its star rating, it will risk not receiving any custom from the people who consider the system so important.

Mr Chope: My hon. Friend makes his point perfectly. We in this House have the privilege of the opportunity to try to introduce some common sense into these measures before they become set in law. I hope this debate will enable that to happen, certainly in relation to clauses 8 and 9, against which petitions have, for good reason, been submitted. Depressingly, the petitions were presented in the other place as well, and they did not have any impact. Nobody seems to have been listening. I hope somebody will start to listen soon because we are talking about potential threats to the viability of lots of small businesses in the ever-important hospitality industry. There is the possibility of gross injustices arising from these provisions.

Mr Greg Knight (East Yorkshire) (Con): If this Bill were to be enacted, how would the provisions of clause 9 apply to a vendor who has no window to his customers and no door, such as the owner of a hot dog cart?

Mr Chope: My right hon. Friend brings his legal expertise to bear on this issue and asks a very pertinent question. I am not in a position to answer it, but if the promoter of the Bill—or the promoter's representative in this place today—wishes to intervene to do so, I will gladly give way. If the Bill has been as well prepared as one would hope after three years of gestation, one would expect that point to have been taken into account by its drafters—although perhaps we should not be so certain about that.

The hon. Member for Hayes and Harlington (John McDonnell) was enthusiastic about the only parts of the Bill that my hon. Friend the Minister said the Government were concerned about. That is an interesting cameo within this debate. I hope my hon. Friend will stick to his guns in pursuing his concerns about clauses 11 to 22 and will insist that clause 23 is removed as being absolutely redundant.

Philip Davies: The Society of London Theatre and the Theatrical Management Association are worried that clause 23 will have a big impact on their theatres. Occasionally, there is some nudity or semi-nudity in a production and this measure may well have a negative impact on such shows. Will my hon. Friend acknowledge that concern as well?

Mr Chope: Absolutely. My hon. Friend the Minister said the legislation that had been introduced nationally since the Bill was first produced covers the national picture. I am sure it takes properly into account the concerns that have been expressed, and to which my hon. Friend has referred.

I want to refer back to an earlier part of the Bill. Clause 7 deals with access to public lavatories. I have the privilege of representing a constituency with one of the highest proportions of elderly people in the country, and we in Christchurch are proud to have been the winner of the loo of the year awards on many occasions. Ours is a prudent council, and it has now reached the stage where the councillor and the officers responsible for winning those accolades do not attend the awards ceremony because they cannot afford the cost of the travel, but they are grateful recipients of the awards.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I am sure that the hon. Gentleman is going to flush out the subject a little more, but we are dealing with a London Bill, rather than toilets in his constituency. I know that there is a connection, but I would like to try to keep it a little tighter if we can.

Mr Chope: Absolutely, Mr Deputy Speaker. The great joy for people in Christchurch is that even when they reach a certain age they can travel. They travel outside their constituency to places such as London, and they expect that in London they will find facilities similar to those that they enjoy in Christchurch. Sometimes they are disappointed, and that is where the relevance of all this lies. As they have such high standards at home, they seek them elsewhere.

I am concerned that it would be a retrograde move to allow local authorities in London to reintroduce turnstiles. Not long ago, a short debate was held in the other place in which Baroness Greengross asked Baroness Andrews, who was then an Under-Secretary at the Department for Communities and Local Government, about extending the provisions of the Public Lavatories (Turnstiles) Act 1963 to railway premises. The answer was that it would not be desirable because a lot of railway premises were having their loos and the access to them modernised. However, it was implicit in the answer that the then Government did not believe that the law needed to be changed and that they thought it desirable that we should not need turnstiles in order to gain access to public toilet facilities. This is a particular issue for disabled people, because they find it most difficult, although others may wish to gain access to a public toilet as quickly as possible and they do not want to have their progress impeded. I do not think that we need to spell out the point at any greater length, Mr Deputy Speaker.

Mr Greg Knight: May I put it gently to my hon. Friend that he has the argument the wrong way round? Surely we should be applauding this measure, because if local authorities are allowed to introduce turnstiles and thereby charge people an exorbitant rate to use the lavatory, the people of London will have far more lavatories to use as more and more councils seek to tap into this revenue raising idea.

Mr Chope: I do not know whether my right hon. Friend had his tongue firmly in his cheek when he was making that observation, but I suspect that he did. If he did not, he is living on another planet. In the City of Westminster, for example, the council raises an enormous surplus in parking charges, many of which are paid by people who do not reside in the borough. The original idea was that those fees should be reinvested to improve public facilities in Westminster, but that has not happened in practice. The idea that if local authorities can impose more charges for access to public toilets, the quality and availability of those toilets will improve is pie in the sky.

Philip Davies: Does my hon. Friend accept that this could be argued the other way round? He says that turnstiles are not desirable, and that is a perfectly legitimate view. Even if someone would argue that they are legitimate, surely any local authority should be able to introduce them in their local toilets, not just London boroughs. Why would we just extend this privilege to London, and why would the Government not extend it to every local authority that so chooses to use it? I hope that he would accept that such an approach would be pure localism, as opposed to giving localism only to London.

Mr Chope: My hon. Friend makes another very good point. I am sure that if the coalition Government are short of new policies to enact they will think seriously about my hon. Friend's suggestion. Before they do so, however, they might look at the document produced a couple of years ago by the Department for Communities and Local Government, which set out a strategic guide, spread over the best part of 100 pages, on "Improving Public Access to Better Quality Toilets". Nowhere in that strategic guide was anything that suggested that the answer to all the problems was to reintroduce turnstiles, which were outlawed in an enlightened moment in 1963. They should probably remain outlawed and I do not think that the case for reintroducing them has been made.

[Mr Chope]

I am also very concerned about the Bill's provisions on pedlars and street trading, to which I have already referred—my hon. Friend the Member for Shipley engaged in a short exchange with me on that point. Those powers go far in excess of what is reasonable. I am sorry that my hon. Friend the Member for Finchley and Golders Green did not consider them when he introduced the Bill. In a sense, this is a warning shot, because a number of us have been jealous of the rights of small groups to be able to carry on their activities and not to find themselves subject to harassment by officialdom. The wide powers that are given under the Bill to Westminster city council and to Camden borough council are a licence for harassment. They give tremendous powers to local authorities to harass the people they wish to drive out of business because it does not suit their purposes and because they find it rather difficult to try to enforce the law as it stands nationally. They want to give themselves extra powers to impose penalties on the grounds of suspicion, and I think that that is wrong.

One is left asking whether anything in the Bill is worth saving, or whether it would be much better to put the promoters out of their misery and not give it a Second Reading. My hon. Friend the Minister thinks that we should give the promoters the benefit of the doubt. For my part, I think that they have had three years in which to try to get their tackle in order and they have manifestly failed so to do. They have not really come to terms with the change in the mood out there, which is very much against interference and regulation by local authorities, pettifogging bureaucracy, penalties, putting pressure on people and making it very difficult for them to argue against penalties, which makes them have to go along and pay another fine or penalty. The promoters misunderstand the mood and there is a great demand for some consistency in our criminal law across the whole country rather than having special regimes for licensing in the London area, as proposed in clause 23, or special regimes for penalties for street trading, as found in the clauses that promote powers for Westminster and Camden.

I obviously support my hon. Friend the Minister as regards the parts of the Bill to which he is opposed. There is so much wrong with the Bill that there is a danger that if we allow it a Second Reading, an enormous amount of our colleagues' time will be taken up in the Opposed Private Bill Committee. If the promoters are as reluctant to compromise as they appear to have been in the other place, we will end up taking up a lot of time on the Floor of the House on Report and Third Reading. It might be better to put the promoters out of their misery at this stage and force them to go back to the drawing board and propose a fresh Bill that is more in tune with current thinking.

Mr Knight: I hear my hon. Friend's argument, but all what he says could be put right in Committee. If he feels that the Bill is too pettifogging in some areas, amendments could be moved in Committee to improve it to such a state that only reasonable actions could be taken by local authorities to deal with what is a very real problem. The argument he is developing is not against the Bill per se but against its current drafting. Is it not then for us to amend it in Committee?

Mr Chope: My right hon. Friend makes a perfectly fair point, but he and I will in our time in this place have been confronted many times with Bills that we disliked so much that, although parts of them were not so bad, we felt obliged to vote against them on Second Reading to make a point. This Bill has not arrived here de novo, but has already been through the other place. We have to look on the past as a guide to the future unless we are otherwise advised. The Bill has not been subject to voluntary amendment by its promoters despite the petitions against it from the London theatres, the British Beer and Pub Association and others. If the promoters did not listen to those petitions in the other place, what guarantee is there that they will listen to petitions now? We have not heard anything from my hon. Friend the Member for Finchley and Golders Green to the effect that they will accept amendments. If, when he sums up the debate, he says that he feels, on behalf of the promoters, slightly chastened by the criticisms that have been made, and if he says that they will introduce amendments to meet some of those concerns, I might have a different attitude. Currently, however, I fear that there is so much wrong with the Bill that it does not deserve a Second Reading.

4.47 pm

Jacob Rees-Mogg (North East Somerset) (Con): The Bill is deeply disagreeable and it is remarkable that the House of Commons should spend so much time considering something that would take freedoms from law-abiding people in London, particularly in the City of Westminster.

What is the purpose of the Bill's opening part? It is to give to borough officials powers that are normally reserved for policemen. One might go out of this House and some person employed by Westminster city council, with or without a peaked cap, might come up and say that he does not like what one is doing because one is selling a car over the internet or doing some other desperately evil activity. That employee will then levy a fine and will levy a second fine if the person does not tell him their name and address. I thought it was no right of anybody's to demand the names and addresses of people going about their lawful business, but, under the Bill, someone who refuses to give it to some official from Westminster city council will commit an offence. I do not want to tell officials from Westminster city council my address—they could look it up on the electoral register, which would not take them very long. That is an initial intrusion on freedoms that we ought to value and that ought to be at the forefront of what the House does.

Having dealt with clauses 4 and 5, let me address clause 8, which is one of the meanest-minded measures we have seen recently. A few years ago, Westminster city council was all for a café culture: "Let's have people putting chairs out on the pavement and have people drinking in the street", it said. "Let's have them pretending they are in Venice or Florence; in spite of the weather, they can think that the sun is shining because they are out on the street." Now, having persuaded a few restaurants and cafés to put out some tables and chairs, the self-same council wants to say, "You've done what we asked and we are very pleased with this charming and delightful café culture"—otherwise known as binge drinking—"and because of that we want to charge you for it." Does that

seem a reasonable way for a council to behave, and is it proper for us as a Parliament to give it a special bit of law to make itself obnoxious to a free people?

My hon. Friend the Member for Christchurch (Mr Chope) has gone through the hygiene aspects, but I thought I was elected on a platform of deregulation. The Labour Government, for all their virtues, were great ones for regulating and for insisting that everything should be signed, sealed and delivered. Even in a church, there has to be a sign saying that people are not allowed to smoke to deter all those who used to go into a church just to roll a cigarette, light up and smoke away.

There are signs everywhere and the mass of bureaucracy is upon us. Now, the Conservative Government want to ensure that when someone wanders into a café for a small cup of coffee, tea or whatever his preference happens to be, there must be a sign saying the café is hygienic. Otherwise, he might be poisoned by whatever desperate thing it is that the café puts in its tea. Is this necessary? Is it proportionate? Is it a sensible use of the money of business to spend it on putting up signs when people who go into restaurants know that there are forms of regulation and whether the food is any good. If they do not like it, they can have an argument with the restaurateur, say that they are not paying and tell all their friends not to go there. The free market copes here much more adequately than increased regulation.

I am glad to say that the Minister is against all the stuff on housing. Those proposals concern me because they are broadly an attack on private property, which is one of the mainstays of our constitutional settlement. The rights of private property are that which underpins a free society—the right for people to own their own home or to let it out to somebody else—as opposed to what is in clause 21, whereby the self-same peaked-capped man who was fining me for refusing to tell him my name and address then barges into somebody's house just to check that they are complying with regulations.

As I understood it, the aim of Her Majesty's Government was to ensure that the right to enter houses applied only when a warrant had been issued—a warrant duly signed by a magistrate—so as to protect us from aggressive officialdom. On the one hand, there will be warrants; on the other, officials from particular and peculiar councils will barge in on people in their homes or in houses that have been let out, telling them what they may or may not do.

I shall finish by referring to the trading of cars on the internet. The absurdity here is palpable. Why can I not put a little sticker in my car, offering to sell it? If somebody wanders past and says, "That's worth £100," and I accept it, surely that is commerce at its most basic and simple level. Surely it is what gets people into the culture of trading and activity, and leads to the prosperity of a capitalist society.

Tom Brake (Carshalton and Wallington) (LD): Will the hon. Gentleman give way?

Jacob Rees-Mogg: It would be an honour.

Tom Brake: I thank the hon. Gentleman for giving way. Does he make a distinction between a single vehicle being sold on a street and seven, eight or 10 vehicles being sold, which often happens on Bishopsford road in my constituency?

Jacob Rees-Mogg: There are all sorts of rules and regulations on planning that affect how someone may trade as a business I do not think that there is a feeling that that area is not covered. What is not covered is people doing small amounts of personal trading, but the whole approach is so unnecessarily draconian. Indeed, Draco would be rather embarrassed about the harshness of some of the measures being proposed on people doing little bits and pieces—selling a few Christmas cards on the side of the street, selling their car, running a restaurant without having to put up 27 stickers or wandering about without giving their name and address to every peaked-capped official who comes up to them and issues them with a fixed penalty notice.

Why are we even considering giving this Bill a Second Reading? It is against everything Conservatives stand for. It is against what a lot of Liberal Democrats stand for, and I think many socialists as well. We want a free and prosperous society. We do not want, through localism, to have local authorities barging into our lives at every opportunity. As I understand the forms of the House, the Bill will not be thrown out today. More's the pity.

4.54 pm

Philip Davies (Shipley) (Con): I am rather nervous about contributing to the debate, following my hon. Friends the Members for Christchurch (Mr Chope) and for North East Somerset (Jacob Rees-Mogg), who expertly filleted the Bill in a way that I could not possibly do. I shall not spend a great deal of time adding to their comments, but I shall make a few brief points

My hon. Friend the Member for North East Somerset is right to say that the Bill is disagreeable, but I do not doubt the intentions of my hon. Friend the Member for Finchley and Golders Green (Mike Freer), who wishes to do what he sees as in the best interests of his local area and other parts of London. I hope he listened carefully to the points made by my hon. Friends the Members for Christchurch and for North East Somerset and that he will reflect on them at length. Both speeches made it abundantly clear why the Bill should be unacceptable to anybody with a Conservative philosophy. It strikes at the heart of the values that Conservatives should believe in.

I have no doubt that Opposition Members will think that many of the provisions are marvellous. The Bill represents the state running riot. It is a charter for bossy local authorities. That is what brought many of those on the Opposition Benches into politics in the first place. Surely, as Conservatives, we should protect the public from bossy local authorities and over-zealous bureaucrats. We have all seen in our own lives that the moment local authority staff put on their car park warden's jacket, they think they have become something akin to Hitler, and take great pleasure in ordering everybody about and telling people what to do. We should be guarding against that, not expanding their powers and giving them a charter to go even further.

As my hon. Friend the Member for North East Somerset said, the first part of the Bill, which deals with penalty charges and gives local authority bureaucrats powers that we would normally reserve for the police, is deeply disturbing. We should not countenance such a proposal. We saw such freedoms undermined during the 13 years of the previous Government. The last thing

[Philip Davies]

we want under the new coalition Government, particularly a coalition that incorporates the word "liberal", is to go further, giving the state more power over individuals to impinge on personal freedoms. As my hon. Friend the Member for North East Somerset so ably said, the right of officials to demand people's names and addresses is something that we might have expected to see in the Soviet Union or Nazi Germany, not in a free country. I hope my hon. Friend the Member for Finchley and Golders Green will think about that again.

I agree with the points made by my hon. Friend the Member for North East Somerset about street furniture on the highway. Presumably local authorities will agree to let businesses have street furniture on the highway because they think it is a good thing for their local residents. If so, why do they not let those businesses get on with it? Why would they want to take money off businesses that are trying to provide a service that the local authority presumably thinks is a good one, which is why they gave them the permission in the first place?

One of my major problems with the Bill is that it is intended to damage small businesses. Such bureaucracy is meat and drink to large businesses. I used to work for a large multinational company. Although we may occasionally have been irritated by the volume of regulation and unnecessary bureaucracy, we could afford to employ teams of people to deal with it. We could afford to put up with the extra costs sometimes incurred. Many small businesses, which are struggling enough, especially in the current economic climate, do not have the financial capability to deal with the powers that the Bill would give local authorities.

The Bill reflects the mindset that running a small business is a licence to print money, that everybody who has a small business must have millions of pounds in the bank, that they are unscrupulously ripping off their customers in order to make an unhealthy profit, and that it is the duty of the local authority to get some of that nasty wealth off them. What sort of Conservative would want to promote a Bill with such an attitude behind it?

The only way businesses make money is by looking after their customers and giving them a good service. Anybody who does not do so does not have a business for very long. Businesses are some of the most acutely aware organisations when it comes to social responsibility and contributing to local communities. Local businesses often have a better record of making a positive contribution to their local community than do many local authorities, which are given power after power by such Bills. We should be deeply suspicious of attempts to give local authorities more powers to trample all over small businesses—the many people who are trying their best to earn a living and to put back into this country the entrepreneurial spirit that we have lost.

I cannot really add a great deal to the Scores on the Doors scheme, because my hon. Friend the Member for Christchurch made it abundantly clear that it is an absolutely ludicrous provision. When even the Scores on the Doors people themselves claim that their ratings cannot be relied on as a decent guide to the food hygiene of premises, why on earth should we make it mandatory for customers to see such information and for businesses to display something in which the people who promote it do not have confidence?

If the voluntary scheme works well, and that seems to be the consensus, why on earth would we want to make it statutory? Why not just allow the voluntary scheme to flourish? As I said in a brief intervention on my hon. Friend, if a star scheme is so important to customers, and if it is the be-all and end-all of the information that they want in order to judge a premises, any business that does not display it basically invites people to walk past and go somewhere else. The market will sort those things out. If the scheme is so important to customers, all premises will want to display it anyway. That is what the free market is about. Surely my hon. Friend the Member for Finchley and Golders Green understands the principle of the free market and how it works. He should want it to flourish, rather than having such little faith in it. That is what we have seen for the past 13 years, with a Labour Government and the mess that that got us into.

Nick de Bois (Enfield North) (Con): Unfortunately, I do not know my hon. Friend's constituency well, but in my constituency, where there is a tremendous number of takeaway shops and licensed restaurants, we have tried to encourage some responsible behaviour, because many customers have been leaving areas that one sometimes has to tread through with great care. The voluntary approach has not quite worked, so does my hon. Friend not accept that, where it has not worked so well, some legislation should be introduced to encourage a better neighbourhood and environment?

Philip Davies: No, I absolutely do not, because I do not want unnecessary regulation. My hon. Friend's point of view is that the voluntary scheme has not worked, but his colleagues have not expressed that view. Even if it has not worked, however, I reiterate the point that if such information is so important to customers, they will presumably give their trade only to premises that already display it. If they do not like the fact that it is not displayed, they do not have to go to such places; they can go somewhere else. That is how the free market operates, and it is the free market that I believe in. I am sorry that my hon. Friend has such little faith in the free market and the principles upon which it works.

Mr David Burrowes (Enfield, Southgate) (Con): My hon. Friend makes a characteristically good case in support of his argument, and I join him in supporting—

Mr Deputy Speaker Mr Lindsay Hoyle): Order. Some hon. Gentlemen have just come into the Chamber, but in fairness they ought to have been here for most of the debate. I am being quite lenient, but I really do think that we ought to think about that in future.

Philip Davies: Thank you, Mr Deputy Speaker. I will continue. I will have a chat outside with my hon. Friend; we can resolve our potential differences outside the Chamber.

Stephen Pound (Ealing North) (Lab): "See you outside."

Philip Davies: My hon. Friend is much bigger than I am, so I would not want to get into an argument with him.

I accept absolutely the points that my hon. Friend the Member for North East Somerset made about selling cars on the street and via the internet. I came into politics because I wanted to try to encourage people to

be entrepreneurs, to believe in the free market, to sell their goods and to be buyers and sellers. I do not want the Government or local government sticking their noses into every aspect of people's lives. If people want to sell a car and somebody wants to buy it, and they are both happy with the price, why not let them get on with it? Why do we need government, either local or central, interfering in every aspect of people's lives? Surely we should try to encourage people to do things themselves, so that they do not have to go to big car dealerships. Why do we not just let them get on with it and stop interfering?

Tom Brake: I wonder whether the hon. Gentleman would be quite so keen on that free enterprise and all those cars for sale if they were repeatedly parked outside his front door.

Philip Davies: If somebody is legally able to park their vehicle on a particular part of the street, it does not matter to me whether it is my next-door neighbour's car, a car somebody is selling, or an ice cream van. My suggested solution to the hon. Gentleman, to which he may not have given any consideration, is that if he does not think that cars should be parked in a particular location, his local authority should put down double yellow lines so that people are not allowed to park there. If people are allowed to park at a particular point, what on earth does it matter whether it is my next-door neighbour's car or somebody else's car with a small sticker saying, "For sale: £500". It seems to make a big difference to the hon. Gentleman, but I cannot see why. I ask him to reflect on why he decides that he is a Liberal when he has such an illiberal approach towards people selling their property.

I wish to concentrate on the licensing aspects of the Bill. My hon. Friend the Minister made a perfectly good point about clause 23, which is wholly unnecessary. A couple of years ago, the Culture, Media and Sport Committee, on which I serve, undertook a report on the Licensing Act 2003. We took evidence about certain clubs, including lap-dancing clubs, and we made recommendations about how best they might be licensed. As my hon. Friend made clear, the previous Government, in the last throes of the last Parliament, created new legislation enabling lap-dancing clubs to be licensed as sex encounter establishments—something that people may or may not agree with. As he said, the job has been done. The last thing anybody needs is a London Local Authorities Bill to start trampling all over the licensing regime dealt with by the previous Government and which does much of what the Bill seeks to do. I seek confirmation from him that he will strike out clause 23, which even the biggest supporters of the Bill would concede is completely and utterly unnecessary.

My main point concerns the seizure of goods. I cannot emphasise enough how absolutely outrageous the Bill's provisions are in this regard. The only fair way to do this is to quote a small section of the explanatory notes. I would be astonished if people who read it were not completely outraged by what is proposed. It says:

"Westminster City Council officers already have power to seize items used in unlawful street trading where the items are required for evidential purposes, or where the items are subject to forfeiture by the courts. On a street trading prosecution, if there is a conviction, the magistrates' court can order the forfeiture of any goods seized in relation to the offence."

So the provision is already in statute. It continues:

"Authorised officers cannot exercise their powers of seizure unless they suspect that a street trading offence has been committed."

The London local authorities are complaining that they cannot exercise their powers of seizure unless they suspect that a street trading offence has been committed. That is not good enough for them: they want to be able to seize these goods even when they do not suspect that an offence has been committed. They say that Westminster city council officers already

"use the powers regularly in the West End"

to deal with

"unlawful sales of hotdogs and other hot food from portable stands."

But they complain:

"City council officers are unable to seize hotdog trolleys until the vending begins."

That is not good enough for the poor local authorities—they cannot seize these things until an offence has been committed and somebody actually trades. So they want, through the Bill, to

"enable City Council officers"—

pettifogging bureaucrats in the local authority with, no doubt, as my hon. Friend the Member for North East Somerset said, their peaked caps—

"to seize receptacles which are in a street and which the officers have reasonable cause to suspect are intended to be used in connection with a street trading offence."

Can Members imagine where we would be if the police started arresting everybody who was walking down the street because they might go into the nearest shop and start shoplifting? We are giving such a power to council officers, which is totally unacceptable. Any hon. Member who supports a Bill that provides such powers should be ashamed of themselves if they believe that they support freedoms in this country.

Mr Bone: I have to make my mind up whether to support the Bill if there is a Division. Is my hon. Friend suggesting that we should vote against it?

Philip Davies: I certainly am. I would urge any right-minded person, particularly with a conservative philosophy, to do so, because nothing in it supports such a philosophy.

It gets worse than local authorities wanting the power to seize things they have reasonable cause to suspect are intended for some kind of offence. Let us imagine that I am walking down the streets of Westminster trying to take home a hot-dog trolley that I had just bought. What would I do if a local council bureaucrat came along and said, "Hold on, you might use that to sell hot-dogs illegally, so I'm going to take it off you"? Is that really the type of country we want to live in, and are we happy to pass such legislation? Not only would local authorities be able to seize the hot-dog trolley that I had bought legitimately and was transporting home, but they would be able to seize any vehicle used to transport it where they found it in the street. Are we going to give council officers that power? We must be stark raving mad even to think about giving the Bill a Second Reading.

The Minister and the shadow Minister say casually, "Oh, well, of course there are some deficiencies in the Bill, but let's just iron them out in Committee." On that

[Philip Davies]

basis we may as well not bother with the Second Reading of any Bill. If we are saying, "We all know the Bill's a load of drivel, but we'll pass it now so we look as if we're being supportive and then fillet it in Committee", we might as well just let every Bill go into Committee and see what we can do from there on.

The point of Second Readings is that Members may not like certain legislation in principle. I do not like this Bill or the philosophy behind it, which is anti-small business and anti-freedom, and I do not like the draconian powers that some council officers seem to think are theirs by right—not in the country that I want to live in.

Mike Freer *claimed to move the closure (Standing Order No. 36).*

Mr Deputy Speaker (Mr Lindsay Hoyle): I am not going to take the closure motion at this point. I have another speaker on my list, and I think it only right that he is called to speak.

5.13 pm

Mr Peter Bone (Weilingborough) (Con): I congratulate my hon. Friend the Member for Finchley and Golders Green (Mike Freer) on the admirable way in which he moved Second Reading. I found it very helpful.

I am pleased to follow my hon. Friend the Member for Shipley (Philip Davies), who has certainly enticed me to vote against Second Reading. Many people see this whole process as a waste of time, and I think the business managers would like the Bill to go through straight away. However, we have an important role to play in examining and scrutinising private business. When I came into the House after being a local councillor, I did not expect to be worrying about turnstiles in public lavatories—I thought I had left all that behind. However, we do spend hours scrutinising private Bills, even though only a few Members come to the House to do so. That is what we are here to do, and it is definitely not a waste of time.

In deciding how to vote, we must ask whether a local borough or council has a particular need that is different from the needs of the rest of the country. If it can prove that it does, I am inclined to support it. What concerns me is the tens of thousands of pounds of council tax payers' money that local authorities spend bringing Bills such as this to the House.

Mr Greg Knight: In fairness to the Bill's promoters, is it not the case that the Bill originated when we had a Government who revelled in red tape, and that the Bill has reached this House when we now have a new Government who are committed to slashing red tape?

Mr Bone: I am grateful to my right hon. Friend, but I was just about to discuss that dilemma. However, I shall quickly digress, because what concerned me most was that the Minister had so many reservations. I have never heard a Minister at the Dispatch Box with so many reservations about private business, but the shadow Minister, whom I welcome to the Dispatch Box and who did exceptionally well today, welcomed every measure with great glee. As a Conservative, the principle of that position worries me.

However, to return to why we are here today, we must decide whether there is merit in the Bill proceeding and whether there are only one or two measures that need to be addressed in Committee. On Second Reading, every Member of the House can come to the Chamber, but in Committee only a few will examine the Bill. The advantage is that if the House flags up issues on Second Reading, members of the Committee can take them into account.

I was slightly encouraged by the Minister, who is a most excellent Minister, because he ruled out certain things, but I have a dilemma to do with localism. I like the idea of local boroughs and local councils making their own decisions, but there must be an overall cap on that. I am looking forward to what the Government do on localism. The more we allow councils to do, the less necessary it will be to consider Bills such as this in the House.

I am still undecided. Perhaps the Bill's sponsor will have a few words to say and perhaps he will persuade me that because there are many good things in the Bill, I should let it go through. However, I am of the view that I will oppose it.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 293, Noes 21.

Division No. 74] **[5.17 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, Heidi
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Bottomley, Peter
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davidson, Mr Ian
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Dromey, Jack
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim

Featherstone, Lynne
Field, Mr Mark
Flint, rh Caroline
Foster, Mr Don
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gapes, Mike
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Green, Damian
Green, Kate
Greening, Justine
Grieve, rh Mr Dominic
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Lumley, Karen
Mactaggart, Fiona
Main, Mrs Anne
Mann, John
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mearns, Ian
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, Austin
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, Grahame M.
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Norman, Jesse
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Reckless, Mark
Reevell, Simon
Reid, Mr Alan
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Roy, Lindsay
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Seabeck, Alison
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Shuker, Gavin
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Skinner, Mr Dennis
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Tapsell, Sir Peter
Thurso, John
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittingdale, Mr John
Wiggin, Bill
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Chris
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George

Tellers for the Ayes:
Mr Matthew Offord and John Stevenson

NOES

Binley, Mr Brian
Brady, Mr Graham
Cash, Mr William
Clappison, Mr James
Davies, Philip
Griffiths, Andrew
Harrington, Richard
Henderson, Gordon
Hollobone, Mr Philip
Jones, Mr Marcus
Knight, rh Mr Greg
McCrea, Dr William
Morris, David
Percy, Andrew
Phillips, Stephen
Redwood, rh Mr John
Rees-Mogg, Jacob
Simpson, David
Smith, Sir Robert
Syms, Mr Robert
Tyrie, Mr Andrew

Tellers for the Noes:
Mr Christopher Chope and Mr Peter Bone

Question accordingly agreed to.

Bill read a Second time and committed.

Draft EU Budget 2011

[Relevant document: European Union document No. SEC(2010)473: Statement of Estimates of the European Commission for the financial year 2011 (Preparation of the 2011 Draft Budget).]

Mr Deputy Speaker (Mr Lindsay Hoyle): The Speaker has selected amendments (b) and (a), to be debated together.

5.32 pm

The Economic Secretary to the Treasury (Justine Greening): I beg to move,

That this House takes note of European Union Document No. SEC(2010)473, Statement of Estimates of the European Commission for the financial year 2011; and supports the Government's efforts to maintain the 2011 EU budget at the cash levels equivalent to the 2010 budget, while ensuring better value for money in EU expenditure.

I very much welcome the fact that this debate is taking place in this Chamber for the first time in several years. The debate demonstrates the importance that the House attaches to scrutiny of the EU budget, to the UK's contribution to it, and to the value for money of EU expenditure.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I am grateful to the Minister for giving way. She says that this debate demonstrates the importance that the Government attach to giving the House a say. Can she tell us whether a vote on the matter, either way, would make the slightest bit of difference?

Justine Greening: The hon. Lady is assuming that those Members who have tabled amendments will press them to a vote. Perhaps she is prejudging the outcome of the debate. We welcome the debate because, tomorrow, I shall be in Brussels pressing our case in respect of the European Union budget, and it is vital that we are able to say that we have scrutinised the document thoroughly in our European Parliament.

In regard to the European Union, matters such as the single market, enlargement and environmental standards have seen real progress, but the EU budget does not have pride of place among the EU's achievements. I will not hide from the House the Government's frustration that some of our partners—and those in EU institutions—do not seem to understand how bizarre it is, when national budgets are under such extraordinary pressure, that the EU should be immune from that. So here in the UK, the week before a very tough spending review, it is only right that we should subject the EU's budget for 2011 to the same level of scrutiny as our own national accounts.

As I said to the hon. Member for Birmingham, Edgbaston (Ms Stuart), I will be in Brussels tomorrow, holding discussions with Commissioner Semeta, the Belgian presidency and MEPs on this very subject, pressing them to take the close, objective, pragmatic and responsible look at the EU budget that is long overdue, just as we are doing in the House today. I will, of course, come later to the previous Government's giveaway of the rebate, which is one of the main reasons why we will see our contributions rising over coming years, but let me begin by summarising this Government's approach to the Commission's EU budget proposals.

At the beginning of the debate, let me also clarify our response to the amendments: I absolutely agree with the sentiments of both. Amendment (a) was tabled by my hon. Friend the Member for Stone (Mr Cash) and I would like to take this opportunity to pay tribute to the time, effort and work he has put into scrutinising not just the EU budget but a whole range of areas in which the EU has become involved. His persistence has certainly paid dividends in ensuring that this matter has maintained the prominence in the UK Parliament that it absolutely deserves.

Kelvin Hopkins (Luton North) (Lab): I agree with much of what the hon. Lady has said, particularly about the splendid work done by the Chairman of the European Scrutiny Committee, of which I am also a member. The Government now have the power to do something about the budget. Having complained about it for so long—I agree with those sentiments—is it not time for the Government to say no to the European Union on these matters?

Justine Greening: In fact, we are doing just that. I will come on to more detail about what we are doing now and what we plan to do, clarifying the arguments that we are putting to the European Commission.

Let me be clear that the Government will support the amendment tabled by my hon. Friend the Member for Stone. We very much welcome the pressure applied to the European Parliament to reject the proposed rise. We will do our bit as Ministers and as a Government to put pressure on that Parliament, and particularly on our MEPs, to reject any proposed rise. When the shadow Minister, the hon. Member for Bristol East (Kerry McCarthy) makes her speech following mine, I very much hope that she will confirm that the Opposition will press their MEPs to oppose any rises in the EU budget. Perhaps my hon. Friend the Member for Stone will want to press her further on that.

Amendment (b) was tabled by my hon. Friend the Member for Clacton (Mr Carswell) who, despite spending less time in this House than my hon. Friend the Member for Stone, has also clearly established his role as one of those MPs who scrutinises all EU matters carefully in a way that adds quality to our debates. I want to make it clear to him that we absolutely agree with the sentiments behind his amendment. We want to see the 2011 budget cut. The problem with the amendment is that if we withdrew our money from the EU, under its terms that would be illegal. We cannot support an amendment that would make our action illegal, so we will have to reject it, but I can tell my hon. Friend that if he had worded the provision slightly differently, we might well have been able to support both amendments. It is with regret that we have to reject his amendment, despite agreeing with its sentiments.

Let us talk about our concerns over the EU budget. It is not just the size of the draft EU budget but its effectiveness that is an important matter of concern.

Mr Andrew Tyrie (Chichester) (Con): Many aspects of the EU budget are, of course, deeply pernicious. Does the Minister agree that a particular shocker is the fact that the original budget had written into its baseline a 4.4% increase in administration costs alone? It would be utterly appalling if we found increases in administration

budgets taking place at a time when economies are having to be found right across Europe. What proposals do the Government have to get that increase down substantially? Will we be able to make a saving and secure a reduction in administration budgets as a result of the negotiations?

Justine Greening: My hon. Friend is absolutely right that it is shocking and untenable for the EU to propose a 4.4% rise in heading 5 administration at a time when countries across the EU are struggling with extremely difficult and challenging fiscal deficit reduction plans. We have already voted against that rise and we will continue to take the opportunity to vote against it. More than that, I will explain what we are doing to ensure that the next time we have the chance to vote against it in Council, rather than have a minority of countries with us that is just short of a blocking minority, we can actually achieve a majority and make a difference.

If we look at the size of the EU budget, we see that there is a marked disparity between the Commission's proposed budget increase and the substantial reductions in public spending that countries across the EU are having to make. The Governments of, among others, France, Germany, Greece, Spain and Romania, as well as our own, have all announced sizeable austerity measures, and the EU as a whole has taken unprecedented action to secure economic stability. Yet the Commission has proposed that the EU budget should increase by nearly 6% in 2011. The Commission's draft budget explains that the proposed increase is driven primarily by pre-planned rises in the financial framework, and by large spending programmes such as the research framework programme. As we have heard, however, it is impossible to ignore other elements, such as the startling 4.4% increase in the cost of running the EU institutions themselves.

I think all Members are aware that, arguably, the level of the EU annual budget is to some extent already determined by the overall financial framework, but the Government firmly believe that 2011 cannot be a "business as usual" year for the EU budget. That is simply no longer tenable. As a result of the global financial crisis, Governments across the EU have had to reassess their spending plans, and the EU budget should not be immune to the same pressures. My right hon. Friend the Chancellor of the Exchequer has been very clear about that. We are committed to securing a cut in the 2011 budget. Indeed, at a meeting of EU Finance Ministers on 18 May, my right hon. Friend the Chancellor proposed a freeze in the budget at 2010 levels. He said:

> "I put to Ecofin that there should be a cash freeze in the budget. It is not acceptable to have an increase in the budget."

That was in marked contrast to the previous Government's approach, which saw year-on-year rises effectively unchallenged, and, most damagingly, saw Britain lose part of our valuable rebate—a rebate that had been won by a Conservative Government. This is not strictly within the scope of today's debate, but as we turn our attention later to the next financial framework, we will do so with our UK contribution rising purely as a result of the previous Government's catastrophic decision to give away part of our rebate. That amounts to a £2 billion a year hit for taxpayers—£10 billion over the course of a Parliament—and for what? A reform of the common agricultural policy that has simply never taken place.

Kelvin Hopkins: I am sure that it is of interest to the House that the amount to which the Minister has referred is twice the amount that the Government propose to save by cutting child benefit.

Justine Greening: That is the sort of argument that I have been presenting to other European countries, including the French Minister who was in London a few weeks ago. As the hon. Gentleman says, it is simply untenable for the EU budget to remain unchallenged when across Europe we are making incredibly difficult decisions on our national budgets. The way in which the hon. Gentleman phrased his argument is exactly the same as the way in which I have been pitching ours to our European partners. We are hopeful that, over time, there will continue to be a growing sense among them that we do indeed need to start challenging the European budget that is currently proposed.

David T. C. Davies (Monmouth) (Con): My hon. Friend is presenting a powerful argument to encourage us to support her. Does she accept that all the Members who have put their names to the amendments, however they vote tonight, are helping her and her colleagues in Europe by demonstrating the strength of feeling and the anger that exist throughout the House?

Justine Greening: My hon. Friend is absolutely right. That is one of the reasons why I welcome tonight's debate. I believe that it underlines the concern that we feel, not just as a Government but as a Parliament. The value that we can gain from the debate is our ability to show that we are united as a Parliament in standing up to the rise in 2011, and in wanting to see it cut.

The Chancellor, Ministers and officials have been working with member states, the Commission and the European Parliament to make our case. As members of the European Scrutiny Committee will know, at a time of fiscal consolidation the EU simply cannot afford to budget for more than it can realistically spend. Therefore, we have also maintained a firm focus on realistic implementation rates, because implementation of the EU budget has long been a cause of concern with a combined surplus and underspend in 2009 of almost €5 billion.

As I have said, the Government will focus not only on the size of the EU budget. We also want to focus on its priorities for spending, because it is clear that certain areas of the EU budget simply do not offer the best possible value for money that we should be able to expect. The common agricultural policy, citizenship spending in some areas and spending on the EU's own administration are foremost among them. There is also, of course, the perennial question of why the EU is based in both Brussels and Strasbourg. Critically, we want an EU budget that prioritises economic growth and recovery across the EU and worldwide, just as we are doing with our fiscal consolidation measures here in the UK. We want a budget that is focused on prioritising poverty reduction, promoting stability and addressing the challenges of climate change. The Government will therefore work to ensure that funding for activities is focused on areas that offer the best value for money and that offer the best deal for the British taxpayer.

Mr John Redwood (Wokingham) (Con): Why does the Foreign Secretary seem to favour increasing expenditure on the common External Action Service so that we have

[Mr John Redwood]

duplicated embassies, with those at EU level undercutting our own and charging us double?

Justine Greening: I have no doubt that other Members will refer to that in their contributions. As my right hon. Friend will be aware, we did not support the setting up of the European External Action Service, but as it is now in place our aim is to ensure that it does not duplicate in the way that he says, and that instead it has a role that has some value. We have been concerned about the increased budget because when the EEAS was set up, a key aspect of the conditions was that there would be fiscal neutrality and that is already being challenged. That is one reason why we have been pressing for that to be explicitly put into the terms of the EEAS remit. We have been successful in that, and we are pressing Cathy Ashton to make 10% savings immediately. Discussions on this are continuing in the EU right now. My right hon. Friend is absolutely right, therefore.

To make a broader point on the EU budget, it is vital that decisions taken on budgeting are stuck to. There is an underlying problem that I talked about in respect of implementation: in too many projects there is a gap between what has been budgeted for and what ends up being spent. It is quite a basic financial management problem, but it needs to be addressed.

Turning to the background to today's debate and what has happened so far, in August the Council adopted its first reading position on the Commission's draft budget. We should bear in mind that this draft budget proposed an increase of 6% in the 2011 budget. That first reading position saw the Council reduce the budget level proposed by the Commission by €788 million in commitment appropriations and by just over €3.5 billion in payment appropriations. However, although the Council reduced the payment levels in the Commission's proposal, the reductions would still have meant an increase of almost 3% in EU budget spending from 2010 to 2011. Also, although the Council's position was to reduce spend in the administration budget by more than €160 million and to cut the total budget for the EU's regulatory agencies by almost €12 million, even that would have left a rise in administration of 2.5%.

I should remind the House that when we had the opportunity in the European Parliament to vote against the rise in the Parliament's 2010 budget, we took it. Although the Council had battened down the rise proposed by the Commission, the Government could not accept the proposed level of budget increase and we therefore voted against the Council's first reading. In fact, six other member states joined us: our Nordic partners—Finland, Sweden and Denmark; and the great brewing nations of Austria, the Netherlands and the Czech Republic. The Council's position was, however, adopted by a qualified majority, although I just remind the House that we were very close to achieving a blocking minority on that vote; we were just three votes away from doing so—we got 29 votes when we needed 32. That is why we have been working so hard with our European partners to put our case, because we want, at the minimum, to be in a position to have a blocking minority. We really want to aim for a majority, and that is what we are working towards.

I know that, as we have just heard, the European Scrutiny Committee is considering the Council's first reading position and the Commission's first amending letter. However, I thought it would be helpful for Members taking part in this debate to be given an outline of that developing position. I referred to this briefly in response to my right hon. Friend the Member for Wokingham (Mr Redwood), but I can say that more than 90% of the 2011 budget for the EEAS is transferred from the existing budgets of the Commission and Council. As he points out, an additional €34.5 million is requested to fund new staff posts and other start-up costs.

Overall, the proposal includes the following: first, the establishment plan of more than 1,600 posts—this includes 100 newly created in 2010, and 18 requested for 2011, carrying a remuneration cost of just under €19 million; secondly, just over 2,000 other staff, 70 of whom are newly recruited this year, costing an extra €2.5 million in 2011; thirdly, other staff-related spending, of which less than €2 million would be additional; and, fourthly, spending on buildings and other operational spending amounting to just over €157 million, less than €4 million of which would be additional.

The amending letter stated that cost-efficiency, budget neutrality and efficient management should guide the EEAS, and, as I said, it set a target of 10% efficiency savings in headquarters. Although the Government acknowledge that some additional funding is required in the EEAS's first full year, it is essential that the EEAS demonstrates not only value for money, but budget discipline in its funding bids and a firm commitment to substantial cost efficiencies. It is vital that the aim of budget neutrality is respected, so we are pushing for immediate cost savings and stressing the importance of achieving cost efficiencies, including in decisions over the EEAS's premises.

We have also pushed, thus far successfully, for the Council to state on the record that the term "budget neutrality" for the EEAS applies solely to the context of the EU budget. We pressed for that so that we can counter unhelpful suggestions from the Commission in the future that additional spending at EU level could be offset by savings in member states' diplomatic services. Such suggestions are completely unacceptable to the UK.

Mr James Clappison (Hertsmere) (Con): I am extremely heartened by the proposition that my hon. Friend has put before the House this evening on this matter, but will she examine this very carefully indeed? I know that the EEAS was opposed by Conservative Members and is the legacy of those on the Labour Benches. As she would say, we are where we are, but on this point of budget neutrality will she make it her business to look carefully at any further proposals to increase expenditure on the EEAS? Budget neutrality has already been breached by the European Commission and it is likely that further attempts will be made to breach it in future.

Justine Greening: I assure my hon. Friend that we are looking across the piece to challenge rises in all areas of the EU budget, including the EEAS. As he points out, only months ago we were given an assurance that there would be fiscal neutrality and that has already been broken. We are challenging that and I believe we are doing so successfully. I assure him that we are making our case very strongly within the EU to challenge those sorts of spends when they are bad value for money and when the money is spent in an unplanned way that has not been agreed and was not passed in the original

proposal that was signed up to. As he points out, that proposal was signed up to by the Labour party when it was in government.

So, let me wrap up. Although the annual budget negotiations are not the usual forum to achieve major budget reform, we have still set out our stance. We will be looking for a cash freeze in 2011 and, in this time of austerity, Europe needs to be looking to make the same efficiency savings that we are making in the UK.

I know that the House is interested in this topic, so I shall touch on it briefly. The European Parliament's Budgets Committee has voted on this budget and the European Parliament in plenary will be voting next week on the European Parliament's position on the 2011 budget. We have done our best to ensure that our Government's position on the 2011 budget has well and truly got through to MEPs. We sent a lobbying note to the UK MEPs in September clearly setting out our position.

Ms Gisela Stuart: Would the Minister care to comment on press reports that the European Parliament said that it would make concessions on its budgetary demands only in exchange for concessions by member states on direct resources financing?

Justine Greening: I cannot confirm those reports, but I can tell the hon. Lady that the European Parliament is now considering in detail its response to the European Union 2011 budget. It might well decide to take a position that has a broader perspective than purely the size of the European budget and the split of that budget across the headings. As she will be aware, if there is no agreement, the conciliation process will take place, and of course I cannot prejudge how the European Parliament will approach that and whether it will seek a broader negotiation process than just that on the budget. She is right to flag up the fact that the Parliament might choose to do that, which is why it is all the more important that Ministers and the Chancellor are out making our case with the European Parliament and MEPs as to why we believe that saying no to the totally unacceptable 6% rise is absolutely vital for all MEPs. I hope that the Opposition will play their role with their MEPs in ensuring that the European Parliament takes the right position on the European Union budget. I have spoken with James Elles, an MEP who is on the Budgets Committee. As I have said, I will be in Brussels tomorrow to reiterate our position.

We anticipate that the long-overdue budget review paper from the Commission will be published in the next 10 days. We then expect the Commission to present proposals for the next seven-year framework for the EU budget in the first half of next year. I can assure hon. Members that the Government will strongly defend the UK's national interests in the forthcoming EU budget negotiations. We are clear about what matters to the UK. We will defend the UK's abatement, which is fully justified owing to distortions in EU spending, and we want the EU budget to be smaller, so that our domestic efforts to cut the deficit are not undermined by growth in EU commitments.

Mr Christopher Chope (Christchurch) (Con): What my hon. Friend is saying in her feisty way is very encouraging. Will she assure us that if the European budget proposal is for something other than a reduction, the Government will veto it?

Justine Greening: The process clearly does not end there. It will go to conciliation and there will be further negotiation within the Council. We are aiming to have a majority in the Council standing against the European Parliament's proposal for a higher budget.

Mr Chope: I think that my hon. Friend misunderstood my question. I was referring to the next seven-year budget, where we have a veto. I was asking whether we will be exercising that veto if we do not get our way in having the budget reduced.

Justine Greening: I will not pre-empt where we will be for the financial framework, but my hon. Friend is right to point out that this debate is incredibly important because it sets out the context for that next financial framework—

Mr Speaker: Order. I understand that the Minister is looking backwards in the direction of her hon. Friend who intervened, but perhaps she could look towards the House.

Justine Greening: So, my hon. Friend is right to raise that issue.

In conclusion—

Kelvin Hopkins: Will the hon. Lady give way?

Justine Greening: No, I think I need to wrap up.

We are absolutely committed to pressing for the EU budget to be smaller. We will not have rises in the EU budget undermining our attempts and our desire to tackle our fiscal deficit. We will challenge the 2011 budget, which does just that.

I welcome the support of this House in sending a common view to Europe. I hope that we will be able to do that later tonight and I look forward to seeing whether we get support from the main Opposition party on this matter, too.

Mr Philip Hollobone (Kettering) (Con): On a point of order, Mr Speaker. My hon. Friend the Minister said that the amendment in the name of my hon. Friend the Member for Clacton (Mr Carswell) would commit the Government to an illegal act. Am I right in saying that any amendment accepted by the House for debate is in order and that it would be quite improper for any amendment to commit Her Majesty's Government to anything illegal? Were not the Minister's remarks a matter of debate rather than a statement of fact?

Mr Speaker: I am very grateful to the hon. Member for Kettering (Mr Hollobone) for his point of order. Certainly, from my reading of amendment (b), I am not aware of any exhortation to illegality. The hon. Gentleman will understand, and the House will appreciate, that it is not for me to become enmeshed in an argument between hon. Members as to the merits or demerits of a particular amendment. What I can say to the hon. Gentleman, whose concern for propriety is unsurpassed in any part of the House, is quite simply that the amendment is not improper. If it were improper, I would not have selected it; it is perfectly proper. On the subject of propriety, therefore, he and others need have no cause whatever for concern. I hope that is helpful to the House.

6.1 pm

Kerry McCarthy (Bristol East) (Lab): The Minister certainly talks very tough talk about the current EU budget negotiations, but I have several questions about how she intends to turn that talk into action. She has given a very clear exposition of the negotiations to date—the Commission originally proposed an increase of getting on for 6% in the payment appropriations; the Council then discussed reducing those appropriations; and the UK failed, at that meeting, to persuade a significant number of member states to accept the EU's position that there should be substantial cuts. We are now at a halfway house, which means that there will still be an increase in the budget. I understand that the EU Parliament will vote next week, on 20 October, on whether to reinstate all the budget lines. Why does the Minister think that the UK Government failed in that way at the meeting and why, when the Chancellor went to ECOFIN in May to propose a cash freeze, was he unable to win a consensus?

Chris Heaton-Harris (Daventry) (Con): The hon. Lady talks about failure. Will she remind the House how many times in the 13 years of the previous Labour Government Ministers raised one question about the fact that the European Commission's accounts were not being signed off by the European Court of Auditors?

Kerry McCarthy: That is completely irrelevant to the subject that we are debating. The matter has been discussed in the House on many occasions and has been raised by many of the hon. Gentleman's colleagues. I understand that, as a new Member, he was not in the House then, but it has been discussed many times.

Andrew Percy (Brigg and Goole) (Con): Will the hon. Lady give way?

Kerry McCarthy: No; I want to make a little progress. I have not started saying what I intended to say.

I am slightly confused by the Minister's stance on the motion and the amendments. The motion states that the Government support

"efforts to maintain the 2011 EU budget at cash levels equivalent to the 2010 budget"

in other words, a freeze. The hon. Member for Stone (Mr Cash) argues that there should be no increase in the EU's budget, which is pretty much the same position. Although the Minister implied through everything she said that she wants the budget to be smaller, that is not what the motion states. Will she clarify whether the Government are arguing for a freeze, or whether they support the 34 Back Benchers who have signed amendment (b) calling for cuts in the budget? Will she also clarify what she meant when she said that it would be illegal to support amendment (b)? I would be very happy for her to intervene on me to explain the element of illegality. If there were not that illegality, would she call for cuts? If so, why does not the Government's motion say that there should be cuts?

Justine Greening: On the legalities, we are part of the EU—I am sure that some hon. Members wish that we were not, but we are—and we are under a treaty obligation to make payments. If we were to stop making payments, we would breach our treaty obligations, which we are not able to do under law. If we went down that route, presumably any other European country could do anything it liked against any particular treaty obligation it thought inappropriate, which would not be conducive to good diplomatic relationships or to progressing the case that we want to make for a cut in the 2011 budget. I hope that that has clarified matters for the hon. Lady. Perhaps I can press her to confirm whether Labour MEPs will support our Government's policy stance for a cash freeze in the 2011 budget.

Kerry McCarthy: I am here to put the questions to the Minister and to find out what her stance is. She is trying to placate Conservative Back Benchers, who are clearly unhappy about the lack of progress being made by the Government. It is tough talk, but it is all talk and there is no action. When she goes to Brussels tomorrow, what will she see as success in those negotiations? What is she aiming for?

Robert Halfon (Harlow) (Con): Does the hon. Lady's party support a cash cut in the EU budget?

Kerry McCarthy: Again, we are not here to answer questions. We are here to put the questions and to get—*[Interruption.]* The Minister should accept that the Conservatives are now in government. She cannot just do what she did in opposition and talk tough—

Mrs Anne Main (St Albans) (Con): Will the hon. Lady give way?

Kerry McCarthy: I want to make progress. The Minister cannot just talk tough on European issues and pander to people who want to take us out of the EU. She is here to make progress in negotiations and to fight Britain's corner. I have asked her what she would see as success in doing that.

On the specifics, we are here to debate whether, when EU member states and regions are all engaged in belt tightening, the EU itself should engage in a similar exercise. The Minister has said that sizeable austerity measures are being implemented across the EU. Does that not in itself prove that this economic situation is a global phenomenon that affects all EU member states and not, as the Government say every time Ministers get to their feet in the Chamber, the result of profligate public spending by the previous Government?

Mr Redwood: Will the hon. Lady tell us whether she now thinks it regrettable that the previous Government gave away our rebate and got no reform at all of the common agricultural policy, which is why this is such a big budget?

Kerry McCarthy: The CAP represented 71% of the EU budget, but it is now down to 40%, so that is significant progress, although I agree that there is more work to be done on that front. I shall come to that.

Henry Smith (Crawley) (Con): If this truly is a global circumstance, how come, apart from the Republic of Ireland, this country has the largest deficit of any in the EU and the largest of any in the G20?

Kerry McCarthy: That is obviously partly related to the fact that the UK has probably the largest financial centre globally—it is certainly far and away the largest financial services sector in the EU. There is a more significant impact on the UK economy, London being as it is, as opposed to other countries.

To return to my speech, I shall not take any more interventions for a while. Labour Members believe, as we have always done, that the EU should always scrutinise its expenditure carefully and closely in cutting waste. We want to ensure that the budget is spent wisely and well, and that there is demonstrable added value for the member states and regions as a result of such expenditure.

We welcome the fact that the EU Parliament has chosen, for the first time, not to go above the ceiling set out in the budget at a time when member states face economic hardship. That demonstrates that the Parliament has at least gone some way to appreciating the challenges, but the issue today is whether we should go further. The Government, despite all their talk and bluster, seem to be singularly failing in their aim of putting a lid on what the EU Parliament wants to spend.

Labour Members fully support the principle that the EU budget needs to play its part in an era of fiscal consolidation, and we do not think it right that there should be significant real increases next year, but we should avoid throwing the baby out with the bathwater. The EU has key roles to play, and it was noticeable in the Minister's speech that she made only passing reference to the good things that come out of working with our European partners. In particular, it is important that the EU continues to foster growth and recovery, which is the priority for us here in Britain. As Europe is our largest export partner, growth in Europe is an essential precondition for our recovery.

We welcome the stated key objectives for the draft 2011 budget, which are to support the EU economy and recovery from the economic and financial crisis, and to help EU citizens by reinforcing economic growth and employment opportunities. It is somewhat ironic that as the European Parliament debates and votes on the draft budget on Wednesday 20 October, when it will focus on the admirable and important objectives of supporting recovery and growth, we in the UK Parliament will hear a statement on the comprehensive spending review from the Chancellor, who clearly rejects an active role for the Government in securing such objectives and believes that cuts, cuts and cuts alone are the way forward.

Ms Gisela Stuart: Will my hon. Friend take on board two observations? On an earlier intervention about the Commission's budget not having been signed off for the past 10 years, is she aware that neither has that of the Department for Work and Pensions? On a much more practical point, if the great ambition is to make us economically successful, will my hon. Friend reflect on the Lisbon agenda, which was supposed to make us the most competitive and technologically advanced economy in 2010 and has singularly failed to do so? Why does she have so much faith in the 2011 aspirations?

Kerry McCarthy: There was also the 2010 strategy. In the flagship initiatives set out in the documents before us today, there are some good programmes that we should support, to the extent that they have demonstrable outcomes and that they make a difference, rather than being fine words that do not achieve what they set out to do.

Let me go briefly through the headings in the budget. The Minister was unspecific. She spoke generally in favour of a cash freeze, but did not specify in which areas. *[Interruption.]* Perhaps the hon. Member for Devizes (Claire Perry) will refrain from heckling me quite so much. She is a near neighbour of mine, and we get to talk rather a lot on the television cameras outside the Chamber. It is extremely distracting, and she will get a chance to contribute later if she wishes. That is fair.

Under sub-heading 1a in the budget, on competitiveness for growth and employment, we support funding that encourages the effective operation of the single market, including addressing transport challenges, such as the greening of transport systems, and promoting sustainable, low-carbon economic recovery and growth. It is important to continue to support innovation and research and development on, for example, the environment, clean energy, energy efficiency and promoting a knowledge-based economy. Europe has a key role to play in that.

On structural and cohesion funding, which is included under sub-heading 1b, much of that spending is key to EU enlargement. Sensible steps to ensure that that money is well spent, which we agree should be taken, should not be allowed to slip into undermining the important principle that enlargement is in the UK's long-term interest.

Andrew Percy: I hope that the shadow Minister will be gentle with me—I am a new Member, after all. We keep going back to the same point, which is that for all the good that she says the European Union does—she has highlighted several areas of spending—we still do not know whether that money has been spent, because the accounts are never signed off.

Kerry McCarthy: I will not repeat the point about the hon. Gentleman not being in the Chamber on many occasions when we have had similar debates. As with any public spending, it is important that there is some measure of outcomes, so that we can be sure that there are demonstrable changes and that objectives will be achieved as a result of the spending programmes. We are committed to that. To use the argument about the accounts not being signed off to dismiss everything good that the EU has done and all the initiatives on which we are working with our European partners is tantamount to throwing the baby out with the bathwater, as I said earlier. The argument is used as a red herring by those who are against the entire European project.

Guy Opperman (Hexham) (Con): The hon. Lady has referred to many good things about the European budget. Is she, in her shadow ministerial role, able to identify anything that she would cut?

Kerry McCarthy: I shall come on to that point, if the hon. Gentleman will bear with me.

We support some of the structural and cohesion funding, but we agree with the Government that budget levels should be realistic and reflect absorption capacity. In certain areas throughout the EU budget, planned spending levels are indefensible, and, in response to the question that was just asked, we believe that spending under heading 2 on the preservation and management of natural resources should not be a priority in the current economic climate. We do not support that scale of spending on agricultural intervention, and we will support the Government's close scrutiny of it.

[Kerry McCarthy]

We very much welcome, however, the Government's statement that there should be an increased emphasis on development objectives, including on reaching the millennium development goals in poorer countries, and we believe that adequate funding is necessary to achieve those aims.

Finally, we also support the Government in pushing for reductions in the administration budget.

Mr Peter Bone (Wellingborough) (Con): Will the hon. Lady give way?

Kerry McCarthy: No. I am coming to a conclusion, and the hon. Gentleman will have his chance to speak in a moment. Where efficiency savings can be found, they should be found, and there are significant savings to be made in that area. I can see that many Members want to speak, so I do not intend to delay the House any longer. I look forward to hearing the rest of the debate.

6.16 pm

Mr William Cash (Stone) (Con): We heard a very interesting and comprehensive analysis from the Minister, and I intend to press my amendment (a) to a vote. I agree very much with the sentiments that lie behind the amendment tabled by my hon. Friend the Member for Clacton (Mr Carswell). I wish only that, before tabling it, he had had a word with me about its wording, because I suspect that we would then have been able to arrive at an agreement. For some reason that completely escapes me, however, he decided to go ahead with his wording.

I went ahead with my amendment, because I have to recognise that the Government are about to engage in some incredibly important negotiations. They have to achieve a blocking minority, which I shall explain in a moment. That is not just a technical question, but a question of whether the Government can, first, get enough people to vote on the conciliation agreement, assuming that we reach such a point, and then achieve a blocking minority so that the Commission has to propose a new budget. That is what we are fighting for.

Mr Denis MacShane (Rotherham) (Lab): Does the hon. Gentleman agree that to secure such leverage in the conciliation process, it is not helpful if the main Government party is in alliance with those whom the Deputy Prime Minister calls nutters, homophobes and anti-Semites from extreme fringe parties in east Europe, and not in the same family as Mrs Merkel, Mr Sarkozy and other centre-right leaders?

Mr Cash *rose—*

Mr Speaker: Order. May I gently say, with reference to the right hon. Gentleman's intervention, and as an encouragement and a cautionary note to the hon. Member for Stone (Mr Cash), that I know the hon. Gentleman's response will very much focus on matters relating to the European budget?

Mr Cash: It will, indeed. I shall make no response to that absurd intervention.

We must achieve our objectives, which are not only to prevent any increase in the budget, but to reduce it. I say that to my hon. Friends as one who, I think, can undoubtedly claim to have fought these battles relentlessly, persistently and consistently for the best part of 25 years—and, if I may say so, with some degree of success in establishing the parameters within which we are now able to address the European issue. In a moment I shall mention what happened at the European Scrutiny Committee this afternoon, merely to illustrate the progress that we have already made in the few weeks that I have had the honour of being the Committee's Chairman. The whole process has to be conducted in an effective and orderly manner. Otherwise, it plays into the hands of those such as the right hon. Member for Rotherham (Mr MacShane), who want to pretend that somehow there is no justification for our adopting the position that we need to adopt. Tortuous and tedious as it is, the most important thing is to get it right. We have to get the blocking minority if we want to move from wanting to stop the increase to achieving the reduction that follows from it. Let us be responsible about this.

I do not have the slightest objection to the sentiments that lie behind the other amendment. It bothers me, however, that we have two amendments that appear to compete with one another, but in fact convey the same ideas, yet one is orderly while the other is disorderly. I leave it at that; it is for my hon. Friends to judge.

Mr Geoffrey Cox (Torridge and West Devon) (Con): Does my hon. Friend accept that Mr Speaker has already said that the amendment in the name of my hon. Friend the Member for Clacton (Mr Carswell) is in order; that there is nothing inherently unlawful about it; that there is no reason, based on either law or principle, why Members of this House should not vote for it; and that it is therefore perfectly in order?

Mr Cash: When I say that the amendment is disorderly, I mean that it would, in my judgment, make it more difficult for us to achieve our objectives. I was not referring to it as being disorderly within the framework of the procedures of the House. I make that distinction very clear.

Our net contribution to the European Union is rising from £6.4 billion this year to £8.3 billion in 2011-12 and £10.3 billion in 2015, and our gross contribution is rising from £14 billion to £19 billion. The Budgets Committee is placing a demand on member states to open negotiations on new own resources; the hon. Member for Birmingham, Edgbaston (Ms Stuart) says that that is a

"full part of the overall agreement on the 2011 budget".

It is reported in the *Financial Times* that MEPs are even considering an amendment to

"open the way to establish a European tax, making the institutions less reliant on contributions from national governments."

On top of the budget, the European Parliament is shortly expected to vote on proposals to extend maternity rights to 20 weeks at full pay, which will cost the British Government an extra £2.5 billion a year.

It will be well understood in the House that I am gravely concerned about the developments in this direction. I merely want to be sure that the Government, as well as being able to negotiate this particular, rather difficult round, are able to get stuck into reducing not only the budget itself but the functions that lead to that budget, because the two run together—it is like Parkinson's law.

Mr Bone: My hon. Friend is making a powerful speech on something about which he knows more than anybody else in the House. His amendment would freeze the budget, while the other amendment calls for a reduction. That may be difficult to achieve, but would it not be helpful, rather than a hindrance to the Minister, as she flies off tomorrow, to know that a certain number of Members want a cut?

Mr Cash: That has to be a judgment for Members in deciding which way they will vote on these amendments. In my view, because of the complexity of this problem and the uncertainties about whether we will be able to achieve a blocking minority in the Council of Ministers—I shall explain the procedure in a minute—we must do nothing that would play into the hands of the Eurofanatics in some of the other member states who want to go down the same route as the European Parliament by endorsing this increase and increasing the budget resources, which is what they are intent on doing in the wake of the Lisbon treaty. That is the problem. It is a matter of judgment, but it is also one of analysis, which is why I take the position that I do.

I may say that I had no discussions whatever with the Government on this issue. I simply tabled my amendment last night because it struck me that in the light of the discussions in the European Parliament—and not in light of the amendment tabled by my hon. Friend the Member for Clacton, which I had not seen—the European Parliament was being thoroughly irresponsible, or at any rate the Budgets Committee was. We have yet to discover whether the European Parliament will persist in the same view.

On top of the proposal for the European budget, there is one to extend maternity rights. It is now clear that it is intended to have a £3 billion increase in the European budget for that reason. The 27 member states will be snubbed if the European Parliament votes in line with the European Commission's proposal. Recent increases do not include the already agreed, and grossly extravagant, €1 billion increase in the European budget for 2010, which was caused largely by the Lisbon treaty.

On the subject of austerity and responsible measures, according to Government figures the collective budget deficit of the EU's 27 member states will reach the staggering sum of €868 billion this year, which is more than 7% of the bloc's gross domestic product. That, of course, is because the European financial crisis is real. One need only look at the countries otherwise known as PIGS—Portugal, Italy, Greece and Spain—not to mention France, which must be included in a lot of the analysis, to see the real implications of that for the individual lives of voters in this country. The governing economic and financial framework established by the EU must be not only revised but radically curtailed.

The budget increase also relates to the extensive bureaucracy that we are having to pay for, such as the European External Action Service, as my right hon. Friend the Member for Wokingham (Mr Redwood) rightly pointed out. Members, including me, raised the gravest objections to the proposals for that body that were made a few weeks ago.

While Westminster and Whitehall, and the country at large, are quite rightly being asked to make savings, what is happening in Brussels? The European Parliament adopted a resolution on 18 May proposing a budget of €1.707 billion, which is a 5.5% increase on the amended 2010 budget and represents 20.28% of the EU's administration budget.

Kwasi Kwarteng (Spelthorne) (Con): Many Conservative Members would broadly agree with my hon. Friend's sentiments; I do not believe there is much division among us on the matter. What practical steps does he think Her Majesty's Government can take to stop the grotesque expansion in the budget?

Mr Cash: The budget is part and parcel of the issue of parliamentary sovereignty, which I shall come on to in a moment. If we are to act properly and responsibly in our own Parliament, we shall have to deal with this Parliament's relationship with the EU as a whole. If we get that right, we can proceed in an orderly manner to the questions that we must ask in the political environment that we now experience. That will ensure that we are not subject to further increases in European functions or to the assertions of the European Court and other European institutions on the sovereignty of this House.

Robert Halfon: Although I accept what my hon. Friend says, does he not agree that by the time all that has been done, the budget increase will have gone through?

Mr Cash: With great respect to my hon. Friend, with whom I have had many useful discussions on this matter over the years, I do not agree for the reason that I have already given. It all depends on whether, as a result of the forthcoming negotiations, we achieve a blocking minority in the vote on the conciliation agreement. That agreement has not yet been mentioned, but regrettably it is integral to the procedures that we now face.

I fear that there might be a slight misunderstanding, because I suspect that all Members on the Government side of the House—or even all those in the Chamber—and many people in the Conservative party and the country at large, would agree with both amendments. The distinction I am drawing between them is simply that in the real world we must address such matters in a certain fashion. I do not want to advance my amendment simply because it is mine. It will not do any good if we go too far in merely expressing a sentiment with which everyone agrees, if the consequence of doing so is a counter-productive result. That is why I am taking the position outlined in amendment (a). I urge my hon. Friends—not for my sake, but simply for the sake of ensuring that we get things right—to support it.

Mark Tami (Alyn and Deeside) (Lab): The hon. Gentleman is part of a coalition Government—or at least part of a coalition. What discussions has he had with his Lib Dem colleagues on the grand plan that he is setting out to skewer the EU budget?

Mr Cash: As a matter of fact, it is pretty obvious that I am not a member of the coalition Government, so let us dispense with that idea straight away. In my votes over the past few weeks, I have probably demonstrated that I have certain reservations about the situation, but I am not going further down that path now.

If the European Parliament is allowed to get away with this, it will add fuel to fire of the riots and demonstrations that are already sweeping many cities in different countries throughout Europe. Those countries

[Mr Cash]

face problems of immigration, economic stress and high unemployment, and wilfully to attempt to increase the EU budget when the whole thing needs to be rejected is, to my mind, irresponsible. If the EU Parliament persists, it cannot be regarded as a serious and responsible Parliament. That is my concern.

Mr Nigel Dodds (Belfast North) (DUP) *rose—*

Michael Connarty (Linlithgow and East Falkirk) (Lab) *rose—*

Mr Cash: I will give way to my predecessor on the European Scrutiny Committee.

Michael Connarty: I am grateful to my ESC colleague, who is now Chair of the Committee. I do not disagree with his facts and many of his criticisms are fundamental to the approach of the European Commission compared with that of the UK Government and this Parliament, particularly on the proposal for a tax. However, on trying to achieve a blocking minority, would it not be better in fact to support the Government's proposal than to take an absolutist approach such as the one he proposes in amendment (a) and, quite frankly, the one that is proposed in amendment (b)?

Mr Cash: Mine is not an absolutist position in the sense in which the hon. Gentleman puts it. My amendment (a) says that an increase is simply not justifiable. What is justifiable could also be described as what is fair and right. I have just described what I suspect will happen throughout Europe if people continue to increase the budget irrespective not only of our spending review, but of the crisis in Greece and of the situations in other member states, including very high levels of unemployment, the rise of nationalism that goes with that, and the populism that will emerge from those who want to agitate and create trouble. We want a stable Europe and a stable United Kingdom, which is precisely why I take the view that we need to act responsibly and ensure that the UK Government have every opportunity to achieve their objectives. I assure the House that nobody can accuse me of being in any way reluctant to speak my mind on matters relating to the EU, and I am sure that no one would presume to do so.

Mr Dodds: I commend the hon. Gentleman for his long years of campaigning on this issue and his work as Chairman of the ESC. Given the provocative behaviour of the European Parliament and its attitude to a budget increase, which he outlined, should this House not put down an equally strong marker by strengthening the Minister's negotiating hand and saying, "Far from increasing or freezing the budget, we want a reduction"?

Mr Cash: I do not want to enter into an unnecessary altercation about this with my hon. Friend the Member for Clacton, but if the wording had been put to me, I would have included the words "and if the European Parliament and its committee persist in the behaviour that they are now engaged in, we would have to call for a reduction in the budget." It would be on that basis, not on the basis of requiring the Government to respond when they are in the process of negotiations. Perhaps the distinction comes at that point, although I agree with my hon. Friend's sentiments.

Mr MacShane: Will the hon. Gentleman give way?

Mr Cash: No, I have heard enough from the right hon. Gentleman. All he does is repeat his old mantras—*[Interruption.]* I do not accept that: I simply need to get to the next point that I wish to make about the procedure that is to be followed.

It is clear in the light of the current state of affairs that the Government should adopt my amendment and reject the increase. The European Parliament, in the current austerity conditions, is wilfully affecting the economies of the 27 member states, and of the United Kingdom in particular. My European Scrutiny Committee has today agreed to have a full inquiry reaffirming the sovereignty of the United Kingdom Parliament in relation to the assertions of the European Court of Justice on such matters. The Government have agreed to the Committee's demand for pre-legislative scrutiny, and I am happy to announce that the Minister for Europe will give evidence in public on these critical matters—and that will have an impact on the issues that we are discussing in this debate—as will other experts on the compatibility of Britain's membership of the European Union with the doctrine of parliamentary sovereignty in the light of the European Union's own assertions that the parliamentary sovereignty of this Parliament has been overtaken.

The Government have announced that they will introduce a clause to address the question of parliamentary sovereignty, but our Committee will examine the implications of this in the light of the declaration of primacy of European law by the European Court of Justice and as contained in the Lisbon treaty. All these matters require the closest analysis for the sake of our democracy and the electors of the United Kingdom on questions relating to taxation, spending, the European budget, our contributions and all the functions of the European Union. We have an absolute requirement to get this right and we will have a full examination of the issue of parliamentary sovereignty, including the subject matter of this debate.

Mr Philip Hollobone (Kettering) (Con): Does my hon. Friend believe that it would have been helpful if the Minister for Europe had been in his place for this debate?

Mr Cash: It is always helpful when the Minister for Europe is present, and I endorse my hon. Friend's view. However, the Economic Secretary has set out the Government's view and their determination to get the negotiations right. They will have to succeed in that aim, because there is a huge amount at stake.

The Commission submitted its draft budget to the Council of Ministers and the European Parliament, but the Council rejected the Commission's proposals by qualified majority vote. The proposals then passed to the European Parliament. In the next few days, it is expected that the European Parliament will adopt the amendments to increase the budget and forward the amended draft to the Council of Ministers and the Commission. The European Parliament and the Council will then convene a conciliation committee to seek to resolve their differences, if any. It is essential that the Government negotiate a blocking minority of 91 within

the Council of Ministers to stop the increase at that point. The decisions will be taken by a majority of 14 out of 27 MEPs on that conciliation committee, together with a majority of the 27 member states on the Council of Ministers. That is why it is vital that the Government have the strongest possible mandate to negotiate a blocking minority to determine whether there is agreement in the conciliation committee on the joint text—as I am sure is the intention. If both the MEPs and the Council of Ministers, through their respective procedures, reject the joint text, or if one rejects it and the other fails to take a decision—this point is crucial, and that is why this is such a delicate matter—the European Commission is bound to propose and submit a new budget that will deal with the problem properly.

That is why I take the position that I do in my amendment. I am in no way detracting from the sentiments expressed by my hon. Friend the Member for Clacton. I absolutely endorse those objectives; indeed, I have advocated them repeatedly—relentlessly—over the past 20 years. However, there comes a moment in the tide of man, as they say, when it is essential to get the responsible procedures working in an orderly manner. I do not in any way want to find the Government's position compromised by a vote that could take place this evening, the effect of which would be to put the Government position into reverse.

We are at a crucial moment. I very much respect my hon. Friend's objectives, but in this context it is important to get things right. On this occasion, I would strongly urge my hon. Friends to accept my amendment and allow the Government to proceed on that basis, rather than on the basis of something based on a hypothesis.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. As hon. Members will see, there is a great deal of interest in today's debate. Some 10 Members have indicated that they wish to speak, and as this is a time-limited debate I will ask each of them to consider how long they will speak for, so as to ensure that every Member who wants to make a contribution can do so before the time elapses.

6.42 pm

Kelvin Hopkins (Luton North) (Lab): It is a great pleasure to speak in this important debate, although I will not detain hon. Members for long. First, I commend the Chair of the European Scrutiny Committee for what he said. It is interesting to see him as a restraining voice in Euroscepticism. What he said is common sense. The Government have to go to Brussels or Strasbourg—or wherever they meet—with, one would hope, the united backing of the House or, if not, at least the united backing of those on the Government Benches. I will certainly be supporting the hon. Gentleman's amendment; indeed, I will support both amendments if they are put to a vote.

I have been a member of European Standing Committees for some 13 years. Over those years I have debated European budgets countless times, yet in all that time none of them has been approved by the European Court of Auditors. We just seem to nod through the fact that a budget costing the countries of Europe billions every year is not approved by auditors. We just accept it. One cannot imagine the British Government doing that—not having their Budget approved by auditors—every year.

There has been a significant increase in our net contribution, and that will continue. Attention was drawn to the problem yesterday—very well, I thought—by the hon. Member for Bury St Edmunds (Mr Ruffley) in Treasury questions. Indeed, I have spoken many times about the Blair deal—the deal made that December night a few years ago when, apparently without consulting very many people, he arbitrarily gave away a significant proportion of our rebate. *The Economist*—not a supporter of left-wing Eurosceptics such as myself—said that no deal would have been better than that deal, and it was right. I shall therefore be supporting the amendments.

The budget is fundamentally flawed and has been so since its inception. Throughout that time, the core of the problem has been the common agricultural policy. I have called many times for the common agricultural policy to be abandoned and for agriculture policy to be returned to member states. Member states have different agricultural industries, and each of us would choose what to subsidise and how to subsidise it. Our own agricultural sector needs some subsidies, particularly in certain areas—an example would be Welsh hill farmers—to preserve our rural heritage and industries; it is sometimes necessary for them to be sustained by subsidy. The way the CAP operates is nonsense, however. We have changed it over time, but it has not been properly dealt with.

Another problem is that the net redistributive effect of the budget acts in an arbitrary way, in that some relatively rich countries are net recipients, whereas some relatively poor ones are, unjustly, net contributors. We have a smaller agricultural sector than many other countries, and we have, unfairly, been a net contributor. I would not agree with Mrs Thatcher on many things, but I thought it was right that she negotiated a rebate. [Hon. Members: "Hear, hear!"]

I shall differ from Conservative Members now, however, by saying that I should like a socialist approach to Europe, whereby the redistributive effects of the budget are balanced in such a way that the poorest countries are net recipients and the richest are net contributors, in proportion to their relative living standards and the success of their economies. As one of the richer countries, we would no doubt be a net contributor, but such a system would be rational and fair. The budget as it stands is neither rational nor fair.

We ought to return to the Blair agreement. If we are to negotiate a more sensible budget with our European colleagues, we should start to look at contributions again. If our own contributions had been negotiated in sterling cash terms, rather than euro cash terms, we might not have suffered so much as a result of depreciation. We are paying more because we necessarily depreciated our currency, although I am glad that we kept our own currency and that we are able to flex it according to our own needs.

Other countries have suffered terribly through being unable to do that—Ireland is a case in point. In real terms, it is part of the sterling economy, not the euro economy, and it has suffered as a result of our depreciation, because it has been unable to depreciate its currency. I have told Irish colleagues whom I have met through the European Scrutiny Committee that the logical thing for

[Kelvin Hopkins]

them to do would be to recreate the punt and devalue against the euro to come into line with sterling. That would be very beneficial for the Irish, and I hope that they will consider doing it at some point. It would be fairer for us if contributions were measured as a proportion of gross domestic product, because they would not be subject to change as a result of depreciation.

I have spoken many times on the European budget, and I believe that it is nonsense. I am waiting for common sense to appear on the horizon, but it has not done so yet. I hope that, if we have to have net fiscal transfers in the future, they will be considerably smaller because there will not be a CAP. I also hope that they will be related to the relative prosperity of the member states, so that the poorer nations benefit and the richer ones contribute.

Michael Connarty: I respect my hon. Friend's logic, even though I do not support his conclusions on the European Union. He has a background as a trade union negotiator, and I cannot understand why he thinks we should tell the Government that they cannot have a negotiating position and that they must adopt the position that they are given. Surely they need to be able to negotiate what they are looking for—namely the cash equivalent—regardless of how it is balanced within the budget. They will be negotiating with 27 other countries, along with the Council and the Parliament. Is not my hon. Friend's instinct as a trade unionist to give the negotiators the flexibility to come out with a deal, rather than to given them strict instructions on what they must come out with at the end of the negotiations?

Kelvin Hopkins: I thank my hon. Friend for his intervention, but I believe that all negotiators need to have something in their back pocket—something to argue with. If the Government go into the negotiations saying, "My members will not tolerate an agreement unless it is satisfactory", that will give them some strength. I hope this House will provide that kind of support to negotiators. I would much prefer to be on the Government than the Opposition side, but I hope that the Government will stand up and do the right thing.

Finally, the Minister spoke about standing up for British interests, but that sort of nationalistic approach does not go far enough. What we need is an arrangement that will secure the support of other member states. We have to persuade them that we need a more rational and sensible approach to the budget that is also fair to all concerned—and, indeed, considerably smaller in view of the need to abolish the CAP. If we can get others on our side, we might start to make progress, but if we argue simply in nationalistic terms, I do not think we will.

That said, Britain has a strong negotiating position. If we were in a position to push hard, we would know that the EU needs our membership more than we need to be a member of it. We have a massive trade deficit with the rest of the EU, which gives us a strong negotiating position. If we were challenged by other strong states, they would know that their economies would suffer if we were no longer part of the EU. If we had trade barriers between member states, they would suffer much more than we would. The point has been made many times.

I have some figures with me. Our trade deficit with the rest of the EU in July—the last month for which figures are available—was £3.9 billion. That is for one month, so we need to multiply that by 12 to get an idea of the annual figure. That amount was an increase on the £3.2 billion of the previous month. The EU needs Britain, so let us try to make an EU that is looser, more democratic and leaves greater powers to member states. Let us have an EU that has not a nonsensical budget, but one that is fair and beneficial to all concerned.

6.52 pm

Mr Douglas Carswell (Clacton) (Con): I am grateful to my hon. Friend the Member for Stone (Mr Cash), who has done as much as any Member to encourage this House over many years to consider its duties in a wider European context. He is the best kind of Committee Chairman—one who never forgets that the role of his Committee is to hold the Executive to account, regardless of which party is in government. I thank him.

All hon. Members face spending cuts in their constituencies—cuts that none of us wanted and cuts made all the more painful by the economic downturn. With the exceptions of health care and overseas aid, every Government Department is looking for budget reductions of between 25% and 40%. At the same time, however, our net contributions to the EU are rising by 60% over the next two years—from £6.4 billion this year to £8.3 billion in 2011-12 and to £10.3 billion in 2015.

Our gross contributions, of course, are higher still. Currently £13.3 billion, they are scheduled to rise to £19 billion. Although it is true that some of that money is spent in the United Kingdom, it is by no means always spent on projects that we ourselves would have chosen to spend it on. In any case, normal practice in politics is to measure what people actually pay rather than to deduct the notional cost of services they receive in return. Would any Member argue that the basic rate of income tax is not 20p in the pound but zero, on the grounds that the entire sum is given back in the form of roads, schools, hospitals and so forth?

The sum of £19 billion is, of course, colossal—enough to give the entire country a 50% rebate on council tax in perpetuity or to pay off our Olympic debt in a single year. The scope of amendment (b), however, is not nearly so ambitious. It would not strike out the entire EU budget—it is not about that—and it would not even strike out the increase in the year-on-year EU budget. All this modest proposal is designed to do is to reject the additional sum that the European Commission demanded over and above the increases already built into the 2011 budget.

At a time when every one of the 27 member state Governments are struggling to find savings, the EU must show some willingness if not to reduce its budget, at the very least to be satisfied by the increases we have already given it. Why has the EU come back on 15 September and asked for more resources? The Commission has been admirably frank that the additional funds are earmarked for three institutions: the European External Action Service, Europol, and the three supervisory agencies that will regulate financial services. I remind Members that the European External Action Service is the EU's diplomatic corps. It already has about 20 times the budget of our Foreign and Commonwealth Office.

Europol is the EU's police agency, and the three new supervisory agencies have been widely denounced as likely to drive revenue away from the City of London to non-EU financial centres.

In other words, we are being asked for this extra money to fund three projects that are not in the interests of this country to start with. How much is the bill? To be precise, the EU has awarded itself a €3.6 billion budget increase this year, and Britain's share of that increase—not its share of the budget—is £380 million. The bail-outs and the financial stimuli around the world have, of course, recalibrated our sense of monetary value, but even by today's standards we are talking about significant sums. Given this morning's headlines about the pressure on public sector jobs, it might be helpful to calculate how that £380 million could be translated into Government spending. It would pay for 6,022 NHS doctors, 12,666 NHS nurses, 14,600 police constables, or 22,332 Army privates.

The purpose of the legislature is to control the Executive. In the last analysis, that is why we are all here. The additional work that we do in scrutinising laws, taking up cases for our constituents and participating in debates is valuable, but essentially supplementary. When we strip it down, we see that Parliament exists to ensure that the Government do not spend our money wrong-headedly. That has been the elementary function of our predecessors since the Tudors, if not the Plantagenets.

Mrs Main: I will support the amendment, because I could not look the people of St Albans in the eye if I asked them to make economies and explain why cuts are necessary, and then voted for a measure that would mean the EU's sucking out more and more of our money. I do not think other Members could explain that to their constituents either.

Mr Carswell: I am grateful to my hon. Friend, and to the other 32 hon. Members—many of whom are present—who supported the amendment. The £380 million increase comes at a time when there will be costly cuts in my hon. Friend's constituency and in others—cuts that none of us wants to see—and when it is surely wrong to reduce spending on public services in order to increase the money that we give to EU institutions.

Mr Dodds: The hon. Gentleman said that some of the increase would fund the External Action Service. Does he recall that when the service was debated in the House, it was promised that it would be budget-neutral? That was bad enough—there should have been a decrease—but can the hon. Gentleman explain why we are now being asked to finance an increase in its funding?

Mr Carswell: I cannot. I wish that I could, and I should have liked to hear an answer from the Minister. I am perplexed and puzzled about why we are now being asked for an additional increase in funding for a measure that we were told was budget-neutral.

The issue before us is indeed one of supply. It is a question of whether we think that our constituents' money is being well and wisely spent. Do Members believe that, in our current financial circumstances, we should find more resources to pay for, among other things, high commissioners' entertainment allowances and additional staff for Members of the European Parliament? Is that really the best possible use for this money? Is it better to spend it on that than on the 13,000 nurses whose jobs we might otherwise save, or on 22,000 servicemen? I do not think it necessary to be either Eurosceptic or fiscally conservative to believe that there are better ways to allocate our finite resources. When all the Governments in Europe are cutting their budgets, it cannot be right for the EU bureaucracy to be expanding.

If we do not think that this is the best use we can make of our constituents' tax contributions, our duty is clear: we should support the amendment and reject the increase. Our predecessors fought a long and bloody civil war to establish that only this House might raise revenue for central Government through taxation. We are the inheritors of a sublime tradition, but also of a heavy duty. It is not for any outside agency, either our own Ministers or overseas Commissioners, to tell us how to dispose of this nation's resources. We shall make that decision guided by our consciences, and in the interests of those for whom we speak.

I respectfully seek to press the amendment to a vote. Others have signed it, and I hope that they will speak in its support tonight.

7 pm

Mr Denis MacShane (Rotherham) (Lab): I rise to cast a protective arm over the Economic Secretary as she confronts the massed ranks of well-argued opposition from those on the Benches behind her. The hon. Member for Stone (Mr Cash) gave a masterclass on why the amendment of the hon. Member for Clacton (Mr Carswell) should not be pressed to a Division, but we will see what happens.

This debate is part of a long process of changing our relationship with our partners in Europe, and I do not know where it may end. The hon. Member for Clacton emotionally talked about the nursing jobs that could be saved and the extra soldiers who would not need to be relieved of their duties, but the problem here is not the fault of the European Union. Rather, it is a consequence of a set of decisions that the Conservative and Liberal Democrat coalition has taken. It is seeking to reduce the deficit over four years, much as if I could abolish my mortgage deficit over that period. I wish I could do that—by starving my children, perhaps, or cutting back on other spending. That is the Government's decision. It is nothing to do with Europe itself. At the end of the day it must never be forgotten that the EU budget represents just 1% of Europe's gross national product.

Mr Redwood *rose—*

Mr MacShane: That proportion is less than when the right hon. Gentleman was a member of the previous Conservative Government.

Mr Redwood: Given that the EU is urging all member states to cut their budgets in order to cut their deficits, why does it not show the way by giving a lead in cutting its own?

Mr MacShane: I have absolutely no objection to that point. The right hon. Gentleman is right. If he wants to advance that argument, however, he does not have to persuade me, and the hon. Member for Clacton does

[Mr MacShane]

not have to persuade the fellow signatories to his amendment. We have to link up with others, in the right hon. Gentleman's case with fellow conservatives and centre-right politicians across the rest of Europe.

The hon. Member for Stone brushed aside my earlier intervention, but the plain fact is that a fortnight tomorrow the leaders of Europe—the vast majority of European Governments including those of Mr Reinfeldt, who has just been confirmed in Sweden, and the new conservative-liberal coalition being formed in the Netherlands—*[Interruption.]* I am so sorry for the disturbance caused by my mobile phone ringing. I shall make a donation to any charity you wish, Madam Deputy Speaker. Those leaders in Europe will sit down to dinner and discuss precisely the points raised here tonight, but there will be a Banquo at that feast: the British Prime Minister.

I am not going to tell the Prime Minister what to do. He did not quite win the election, but he has settled in well as Prime Minister. He has to decide whether his collegial dining comrades at European feasts where decisions are taken should include rather interesting gentlemen from Latvia, Poland and elsewhere. I can quote the Deputy Prime Minister's description if it helps, but I think most Members have it in their mind.

The other point that we have to consider is that 20 years ago the EU was largely financed by what is called own resources, such as VAT and duty. I know tax is anonymous but some taxes are less in the payer's face than others. There has been a massive change in the past 20 years in that the EU budget now comes from direct Government contributions. Therefore these arguments are now deeply sensitive in all nations. People in the poorer—perhaps the east European—countries ask why they are signing a big cheque for the British rebate. I am prepared to defend it, but we would be in a much stronger position if more Members were networking across the continent, making the points they are making today and finding allies and friends of weight and seriousness. Frankly, the Conservatives are not doing that at present. I try to make that point more in terms of political science; at this time in the evening, there is no point in seeking controversy.

This is the first of a serious set of debates, and the Government will have to decide. My estimate is that the Economic Secretary to the Treasury, is speaking just as if there had been no change of Government. The European policy of the coalition is no whit different from that of the previous Government in its broad approach to European issues. That may change, but the Conservative party will have to decide whether it wants to confront the deep national interests of this country that have never opted for protectionism or isolationism, no matter how seductively those positions have been put—they have certainly been put that way tonight.

7.5 pm

Mr James Clappison (Hertsmere) (Con): I congratulate the Economic Secretary to the Treasury on an excellent and most competent speech. I listened to her and to the right hon. Member for Rotherham (Mr MacShane), so may I say to him that the last thing she needs is his protective arm around her? He could do worse than to put his arm around himself, because the end of his speech contradicted its beginning. At the end he told us that now, more than ever, our contribution to the European Union budget comes from general Government expenditure. Therefore, if our contribution increases, we have to increase taxation, cut expenditure or run up a bigger deficit, at a time when we are trying to reduce the one we have. He would do well to reflect on that.

I noted that in all the advice the right hon. Gentleman and the Opposition Front-Bench spokesperson, the hon. Member for Bristol East (Kerry McCarthy), gave us, neither of them told us—we will be watching this—how they would advise MEPs to vote when this matter comes before the European Parliament once again, under its procedures. Will MEPs vote in favour of the Council to keep the budget down or are they going to vote in favour of the Commission and for more spending on the European Union? The hon. Member for Bristol East may not want to answer the question tonight, but her MEPs will have to vote or abstain in the European Parliament. They will be watched as to how they vote and we will remind them of the effects that this measure would have in this country.

I was a member of the European Scrutiny Committee and I wholeheartedly supported recommending this document for debate, because it is precisely the sort of thing that this House ought to debate. Something caught my eye in the figures that the Economic Secretary put before the House: the European Commission was seeking in its budget this year an increase of 5.8% or £7 billion in payment appropriations—at this of all times. That comes after increases in the past three years of 3.9%, 1.6% and 2.3%. That raised a question in my mind: how on earth at a time like this, when this country and other member states are facing such stringency in their public expenditure and are seeking to reduce their deficits, could the European Commission have the instinct to seek an increase in its spending? A cynical mind might say that the European Commission made proposals to increase spending on such a scale thinking that they might be trimmed back and that it was aiming for what it would get when those were trimmed back.

Be that as it may, the Economic Secretary is doing exactly the right thing, exercising her powers and this country's influence to the utmost. I would like those powers to be greater, but they are what they are and they are being used to restrain the European budget, to seek alliances with other member states and to seek to bring about the reductions that she has talked about. It is in this country's interest that she should do that, and I am sure that all hon. Members on the Government Benches wish her good luck in her endeavours.

Reference has been made to the rebate, so I do not propose to dwell on that. However, because this country's rebate has been abated in part—in 2005, somewhat inexplicably, when this country had a veto and could have prevented any such abatement—we must have to bear a higher proportion of any increase in European expenditure than would otherwise have been the case. As has been rightly said, that means that our net contribution to the European budget is set to rise progressively from £3 billion in 2008-09 up to £9.5 billion in 2014. That is a substantial increase, which is inexplicable. Historians will have an interesting time examining the motivations of those who took part in the relevant discussions in 2005, when the case for this country was put by the previous Prime Minister but one.

The thing that strikes me more than anything else as I peruse this document and the various budget headings is how little attempt seems to have been made to economise on the part of the European Union—and not only that, but how little attempt has been made to cut back on planned expenditure. It seems that the European Union is ploughing on as though nothing had changed in the world.

Talking of planned expenditure, one of the worst examples, I am afraid to say, is the European External Action Service. We were promised originally—I remember taking part in the debate with the right hon. Member for Belfast North (Mr Dodds)—that it would be budget-neutral and the rumour was that nobody in the European institutions believed that. Surprise, surprise, after we were told that it would be budget-neutral and given a solemn assurance to that effect by the European Commissioner, the European Commission started coming back for more increases in expenditure. So far, in the brief time that has elapsed since it started to put that organisation into place, it has already breached the principle of budget neutrality twice, with increasing amounts being sought—the most recent was an increase of £35 billion for an extra 190 posts.

Mark Reckless (Rochester and Strood) (Con): Does my hon. Friend agree that in the current financial circumstances we should be talking not about budget increases or even budget neutrality but about reductions in the EU budget, as proposed in the excellent amendment (b)?

Mr Clappison: If there were a search for economies in the European budget, one of the best places to start would be the External Action Service. I have a suspicion that although some of its activities might be worth while, the prime motivating force behind the establishment of what is in effect a diplomatic service is the promotion of the European Union itself rather than the interests of member states or their citizens. I suspect that there might be scope for economies.

Let us be clear that what is being sought is planned increases in the External Action Service. Let us spell out the facts of what it will cost so far as it stands—as the Economic Secretary made clear. So far, the cost of the External Action Service, which is on the record under the so-called budget neutrality, is €400 billion. The diplomatic service has 3,700 employees and posts in about 130 nations in the world, many of which already have British diplomatic representation. Spending of that magnitude compares, I am afraid, with the search for economies that is being made in our Foreign Office, where savings of much smaller amounts of money are sought all the time in the face of the demands that have been made to try to economise. It would be sad to see the Union flag taken down in some countries in the world while the European flag was run up. I would regret that, as I think our Foreign Office does a good job in the world and represents the interests of our country. Its prime consideration is to represent this country and our citizens' interests, rather than searching for exterior political objectives to do with the European Union.

This has been a very good debate. I commend the line that has been taken by the Economic Secretary. The facts are stark and anybody who reads these budget documents will be shocked that such increases are sought by the European Union at this of all times. It also prompts a question about the relationship between the European Union institutions, the Commission of the European Union, our constituents and the man on the street in every European state. What must be the attitude at a time when there is so much concern about the economy, when people are suffering and when cuts are being made if the European Union somehow feels that it is immune from those pressures and can go on increasing its expenditure?

Kelvin Hopkins: Let me reinforce that point. When referendums have been held in a number of countries, the people have voted against the European Union, in essence. That has happened in France and Holland, and in Sweden when they voted against having the euro. The hon. Gentleman is absolutely right.

Mr Clappison: I am grateful to the hon. Gentleman for that contribution. He has a very consistent record on this issue.

An increasing proportion of our laws, certainly as a result of the past 13 years, are being passed in the European Union, which searches constantly for new fields over which to exercise authority. It has made its way into home affairs and justice and it has huge ambitions regarding security and criminal justice. It also seeks to have an increasing influence over foreign affairs, with the establishment of a Foreign Minister and a diplomatic service. We know that it has all those great ambitions and we would do well to reflect, in the House, on what the increases in the budget say about the EU's attitude toward individual citizens and its accountability to them.

7.15 pm

Chris Heaton-Harris (Daventry) (Con): I thank my hon. Friend the Economic Secretary for her comments. I shall raise a couple of issues because I should like a tiny bit of clarification on a couple of matters.

I welcome the shadow Minister to her role. Obviously, I am very new here, but what she probably does not know is that, alas, I have had to follow the European budget for 10 years as a Member of the European Parliament. In that time, I followed the abject failure of Labour Ministers who came to Brussels, gave away money and powers and did not care for this country. They did not bother to raise any questions when we were looking at the accounts and whether or not they were signed off. The hon. Lady might have forgotten the failure of a former Prime Minister who went and tried, when he was Chancellor, to get back money from structural funds but failed and then went quiet on the issue. I very much doubt that the hon. Lady has yet, in her new job, read the European budget line by line and page by page. Alas, I did that nine times out of 10: the 10th time, I found a fantastic new doorstop.

I am not going to talk about the budget in financial terms, as my hon. Friend for Harwich—[HON. MEMBERS: "Clacton."] I love these boundary reviews; they are so much fun. My hon. Friend the Member for Clacton (Mr Carswell) has outlined the costs. I want to press home the process behind all this. Having sat on the back benches of the European Parliament, watching all this go through, I have seen the process get to the stage that we are at now, when the European Parliament's Budgets Committee adopted its wishlist for how much more

[Chris Heaton-Harris]

money it could possibly spend, and I know what comes next. There will be a little knock-back from the Council at the meetings that the Economic Secretary is about to attend and then there will be the stage at which these matters will be decided by qualified majority voting, because that is how all this works.

Mr David Nuttall (Bury North) (Con): Qualified majority voting is a term that might not be understood widely outside the House. Could we more simply describe it as other countries telling this country what to do?

Chris Heaton-Harris: I suppose so; I have heard it put in slightly more complicated terms. At the end of the qualified majority voting process, member states coalesce into different groups and it is quite remarkable that we have so many member states on our side at this time. That is something else that the Labour Government utterly failed to achieve on any occasion when it came to the budget. I think we are heading in the right direction.

I want the House to give our Economic Secretary the strong message that a number of us are simply reflecting the views of the people who elected us to this place. They see a lot of money being wasted and a lot of excess in the European Union and they know that we want to do something about it, but we need to negotiate from a very strong position. I know that the Economic Secretary is an unbelievably good negotiator. She speaks many languages when she goes abroad to talk to our European friends and those with whom we have to negotiate. I would like her to know that when she goes into those negotiations she can say, "This Government have taken a perfectly reasonable position. We are reasonable, but look at the Members of the House of Commons who are trying to represent their constituents—they are absolutely livid about the position the Government are taking just to get a half-decent cut, or maybe a standstill, in the European budget." We are trying to give extra force to her argument—nothing more, nothing less.

I commend what we are doing in the European Parliament. My colleague James Elles, a Conservative Member of the European Parliament, has tabled many fantastic amendments, some of which might go through, because he is an able negotiator who knows the institutions very well, and some of which will not. However, we will still end up in the same position whereby, at the end of the process, the European Commission's budget is bigger this year than it was last. That is unacceptable to the British public.

President Barroso recently gave a state of the Union address. I talk about that because I want to put into context where the argument sits now. We might be talking about the 2011 budget for the European Parliament, and I am trying to look forward to how we negotiate in the negotiations that are just opening up for the next financial framework. President Barroso put his cards on the table in his state of the Union address: not only does he want more money, but he wants to raise it in a completely different way. A former Minister for Europe talked about own resources; essentially, President Barroso would like to have a European tax. There is a debate for us to have on that.

Some people want a European tax because more member states are having debates such as the one in the Chamber today whereby their parliamentarians say, "You are spending a lot of money from direct taxation, not from the way you used to raise it." My hon. Friend the Member for Hertsmere (Mr Clappison) referred to that and it is unacceptable in the current economic climate.

Steve Baker (Wycombe) (Con): My hon. Friend adds a great deal to the Chamber with his wealth of experience. For those of us who are new to the EU institutions, will he explain how members of the British public may cast a vote to dismiss President Barroso?

Chris Heaton-Harris: That is a good question. I am not convinced that it is possible. There is only one way to get rid of any European Commissioner, and that is to get rid of the whole lot. That involves a process that an individual constituent— *[Interruption.]* No, I did not. I was way too young to be there.

Mr Dodds: May I suggest one way to address the particular issue of getting rid of some of those people? The British people should be allowed a referendum on the question of our relationship with Europe. Instead of having a referendum next May on the alternative vote system, which is not what people want to talk about, should we not have a referendum on this issue, which everybody is interested in?

Chris Heaton-Harris: The answer is yes.

I want to wind up by taking us back to the process that we are involved in. We are discussing the EU budget for 2011. Coming down the track is the EU budget for the next five or six years. If we do not make a stand now, we will be viewed as a pushover when we come to those negotiations next time round. We have done fantastic work. There has been no failure whatever by our Front-Bench team in already getting a bunch of countries to agree with what we are saying on the EU budget. I want the Economic Secretary to know that behind her she has so many friends wishing her to do well. We are just representing the British people in what they want as well.

7.23 pm

Tracey Crouch (Chatham and Aylesford) (Con): I want to begin my short contribution by stating firmly that I am not anti-European. Much to the horror of many of my colleagues, I am also not a member of the "Better Off Out" campaign. I hasten to add, before my hon. Friends have a heart attack, that I am also not an overt pro-European. I simply recognise that our membership of the EU needs to work in our national interest and provide value for the British taxpayer.

In my constituency and across the country, our membership of the EU vexes people. Typically, they are resentful of its bureaucracy, centralised structure and perceived unaccountability. They cannot understand why so much of our country's decision-making process has been shifted to Brussels, when it should be here. With that in mind, I welcome the Foreign Secretary's recent announcement that a sovereignty Bill would be introduced, allowing authority to remain in our Parliament.

On the topic of today's debate, the draft EU budget will rightly be subject to close scrutiny. At a time when our country and Europe as a whole are enduring one of the harshest economic climates for a generation, the European Commission has proposed a 5.8% increase in the draft EU budget, demanding an increase in net contributions of staggering amounts from its member states. The UK alone can expect to pay nearly £2 billion more in the coming year. How many schools, hospitals, doctors, teachers and nurses could £2 billion pay for? In the light of the scaling back of departmental budgets in this country most, if not all, will find it difficult to reconcile the two.

In order to put the draft budget and its proposed increase in context, we must be clear about what preceded it and our current spending commitments. It is widely accepted and entirely accurate that the previous Government mismanaged the negotiations of the previous EU budget in 2005, leaving us as a country contributing a significant amount of money with a poor rate of return. Our contributions exceed those of France by some 20%, despite our economy being only a fraction larger than that of France. Our rebate, so generously relinquished by the previous Government, is left greatly reduced. We still have a common agricultural policy commanding a significant portion of the EU budget, yet British farmers receive a disproportionately small amount of the overall funding.

To ask the British taxpayer to fund a further increase to an already over-inflated and questionable contribution would seem a clear affront. In addition, it poses an interesting and important question. At a time when we are asking British taxpayers to tighten their belts in the national interest and driving down costs where necessary, is it fair to ask for belts to be loosened again for an excessive EU budget? In my constituency, Chatham and Aylesford, with two of the most deprived wards in the UK, it will be painfully ironic to many that as necessary cuts and trimming of our public services are carried out in the coming months, we are locked into spending commitments elsewhere that are not always in the nation's interest.

I share the Government's drive to get value for taxpayer money in public services and across Whitehall after years of waste and inefficiency, which is why we must ask ourselves whether the EU is prepared to do the same. I admire the Government's commitment to keeping their own administrative costs to a bare minimum, but in the original draft EU budget published in April I was horrified to see a proposed increase of nearly 4.5% in EU administrative costs alone. I hope this will be looked at throughout the review. It clearly highlights the mindset of those in Europe and raises serious questions about whether they share our Government's commitment to achieving value for taxpayers' money.

I welcome the Government's stance in seeking to freeze cash payments to the EU and agree that this would be the most desirable outcome. The UK's membership of the EU should be like any club transaction—you get what you pay for. That clearly was not the approach adopted by the previous Government, and once again the taxpayer has been left to foot the bill.

However, in the unprecedented economic climate that we have endured and are faced with, the EU is in the unique position to promote and contribute to the economic recovery. The EU's mandate ought to be centred on filling a transnational role, tackling issues affecting Europe as a whole such as climate change and energy security, and naturally its budget should reflect that. It is regrettable that the new Parliament is restricted to voting on the basis of the previous Government's ill-advised negotiations. Not only did the previous Government bankrupt this country, but through the EU budget their legacy lives on.

Our Government is not alone in opposing the rise in the EU budget. Denmark, Austria, the Czech Republic, Finland, Sweden and the Netherlands all share our concerns. I therefore urge the Government to seek to form a consensus with other member states who share our concern, throughout the review of the budget. With UK Departments and services under severe financial pressure, and constituents throughout the country facing unprecedented strains on the pound in their pocket, I cannot see how we can justify increasing our contribution to the EU when it, in return, refuses to make similar spending reductions.

7.29 pm

Priti Patel (Witham) (Con): It is a delight to speak in this debate as a new Member, particularly as the country was denied a vote on the Lisbon treaty and this is the first post-Lisbon budget.

When the Lisbon treaty was passed, we heard claim after claim that it would make the EU decision-making process more efficient and democratic. How can it have led to more efficiency, when the EU budget is due to increase by 5.8% in payment appropriations? Even the Opposition, with their astonishing record on spending and waste, would struggle to justify an annual increase in spending on that scale. I very much doubt that, in the current economic climate, any Department calling for such an increase in its budget would be given any consideration.

The Government's position is to keep cash levels at the same rate as last year, but, at a time when most domestic Departments are looking to make efficiencies and cuts ranging from 25% to 40%, why is the EU not being pushed further? With a total budget exceeding €130 billion, it is not unreasonable for the Government and the Economic Secretary to the Treasury, in her negotiations, to pursue the Commission and other member states to make deeper cuts in order to bring down the cost of the EU and to protect the British taxpayer.

My constituents in Witham and the majority of the British public now understand that the Government are dealing with spending, and that spending must come down. As decisions affecting my constituents are taken, however, they will be furious to see that, although they cannot have their new school buildings or road improvements for now, more and more of their hard-earned money is being handed over to Europe.

Having gone through the draft budget, which is a significant document, I note that there are some significant and questionable increases in spending, which the Economic Secretary should seek to reverse in her negotiations. There is an extraordinary document entitled, "Administrative expenditure of the institutions". Linked to the budget, it is an alarming read, and figures for each institution, line by line, give a shocking insight into bureaucratic waste in the EU.

[Priti Patel]

Those figures include an 85% increase in "Entertainment and representation expenses"; a 440% increase in

"Miscellaneous expenditure on the organisation of Euromed Parliamentary Assembly meetings";

a 43% increase to €19.6 million on

"Expenditure on publication, information and participation in public events";

a 23.6% increase in

"Contributions to European political parties";

a 24.7% increase in

"Contributions to European political foundations";

and, on top of that, as we have already heard, the

"Provisional appropriation for the 18 additional Members of the European Parliament",

which under the Lisbon Treaty will cost €9.4 million.

I have previously questioned the Europe Minister, who is not here today, on that matter, but, while this Parliament reduces its numbers and cuts its costs, subsidies and expenses, surely the Economic Secretary should make the same point about Europe when she comes to negotiate with her European counterparts.

Only last month, another example of EU waste was brought to my attention. Promoted by the East of England Development Agency and the East of England European Partnership, the document entitled, "Europe for Citizens", opens with an extraordinary and, one could argue, helpful statement, proclaiming:

"Europe for Citizens is a funding programme that basically provides a large number of small grants."

I find that statement astonishing. In spite of the economic difficulties that face this country and, in fact, other European states, a pot of money amounting to €215 million is available for "High visibility events", "Town twinning",

"Structural support for think tanks",

and

"Support for projects initiated by civil society organisations."

Trimming those budgets and other activities would save the British taxpayer quite a lot of money and even bring some long overdue financial management to the EU

Next month, as we have heard, we will have the spectacle of the European Court of Auditors finding, no doubt, even more irregularities in the EU budget for yet another year running. In any well-respected democracy, no organisation spending money on that scale would be able to get away with the auditors not signing off its books, or with the level of previous errors, which most Government Members attribute to the previous Government's maladministration. I urge the Economic Secretary to ask for stringent guarantees that money spent by the EU will be spent not only efficiently but robustly and effectively, and that the auditors are doing their job properly, because there are so many instances of waste and unaccountability. British taxpayers are not sufficiently up in arms about that issue.

Instead of acknowledging the deficiencies in its budgets and its incompetent financial management, the EU lives in denial, pursuing a policy of blatant spin and propaganda, and attacking any organisation that dares to question how taxpayers' money is being spent. On its website, there is a whole section devoted to so-called "EU budget myths", and a "myth-buster guide" has been published. The EU goes as far as to state that we should

"not confuse errors with fraud"

and that there are

"too many errors, usually made by the end users of EU funding."

This budget and the forthcoming negotiations clearly provide an opportunity to challenge the EU in its way of working.

Nick de Bois (Enfield North) (Con): Does my hon. Friend agree that when the Economic Secretary engages in these negotiations, which I have no doubt that she is more than qualified to lead given what she said earlier, it would be to her advantage if we supported amendment (b), because going in and asking for a reduction in the budget instead of just the status quo would help our case?

Priti Patel: I totally agree with that.

The situation is without a doubt unsustainable. Particularly given the EU's previous track record as regards misappropriation of funds and lack of transparency, current funding levels cannot continue. EU officials need to understand that the British public cannot be treated like fools. We can clearly see through the spin, the propaganda, and the abuses of taxpayers' money for endless self-serving vanity projects that are not in our democratic, economic or national interest. Just as sunshine has proved to be the best disinfectant on issues such as MPs' expenses, it is about time that some sunlight was shone on to the EU budget.

Nick de Bois: Give them IPSA.

Priti Patel: They are welcome to IPSA, as well.

It is an appropriate coincidence that we are discussing the EU budget on the very same day that Baroness Thatcher celebrates her 85th birthday. What better way to celebrate the Iron Lady's birthday than for the Economic Secretary to go to Europe tomorrow, stand up and really fight our corner, and say those immortal words, "No, no, no", giving an ultimatum to her European counterparts and the Commission bureaucrats as they press for larger sums of money to be spent and attack our rebate?

I wish the Economic Secretary well in those fundamental discussions and negotiations. Our country has paid a high price on previous occasions, and our sovereignty has been undermined. We have Europe meddling in our affairs, taking billions of pounds from the hard-pressed British taxpayer. I urge her to put Britain's interests, and the interests of the British taxpayer, first.

7.38 pm

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): I rise to support a reduction in the EU budget. As some Members may be aware, I have advocated that any such cut would more than meet the costs of providing a second aircraft carrier for the Royal Navy.

Who would have thought that less than six months after the election we would be having a debate where a Conservative-led Government would be denounced by many of their Back Benchers for being soft on Europe? I was surprised to hear my right hon. Friend the Member

for Rotherham (Mr MacShane) say—I think that he is correct—that, as far as he can tell, there has been almost complete continuity of policy from the previous Government to this Government in terms of their relationship with the EU. I have noticed that many commentators are similarly remarking that there seems to have been very little change in policy towards the EU. I hope that that is simply a question of settling in, and that when the Government find their feet they will be much more prepared to stand up for British interests.

There is another possibility. Yesterday, we heard that the alternative vote referendum was being brought forward simply as a concession to the Liberal Democrats—the Liberal tail wagging the Conservative dog. I hope that the Government's softness on the European Union is not another case of the Liberals having received undue concessions from the Conservatives. I point out to Conservative Members that it is not possible to buy Liberal Democrats—they can only be rented for short periods, and one can never rely on their remaining rented. If the Conservatives are counting on the Liberal Democrats to support them all the way, they are likely to be sadly mistaken.

Unless I am very much mistaken, it is noticeable that there are no Liberal Democrats here at the moment, unless Members who are sitting on the second Bench back have joined them.

Mr Dennis Skinner (Bolsover) (Lab): They're all in Europe.

Mr Davidson: Are they all in it together? Yet again, I suspect that the Liberals are leaving the Conservatives to do the dirty work for them and put the budget through. I imagine that if the Conservatives carry on their course of action and we have an AV voting system next time around, the UK Independence party will do far better in the first ballot than it might have done in the past. I find it a great cause for regret that the Conservatives seem to have gone soft on Europe in such a short period.

Mr Bone: I normally agree entirely with the hon. Gentleman, but will he cast his mind back to the previous Parliament? When did a Minister talk the way our Minister has spoken tonight, and when were the Government Benches as full for a European debate as they are tonight?

Mr Davidson: That is a very fair point. Not many times were the Benches behind a Minister full of Members denouncing the Government for being too soft on Europe. There were a number of us doing so, but not nearly as many as there are tonight. I am grateful to the hon. Gentleman for making that point.

Some of my colleagues who spoke earlier touched on the iniquities of the EU budget. As someone who was a member of the Public Accounts Committee for a number of years, I am in complete sympathy with everything that has been said about how the auditors have qualified the accounts. The whole matter is a complete and utter disgrace. The audited accounts only tell part of the story, of course, because they do not cover the fact that EU income and the income of individual countries is enormously depressed by the extent of fraud, underpayment, under-collection of VAT and so on, which is reflected in the EU budget. *[Interruption.]* Can I have a lack of heckling from my hon. Friends in front of me, who support most of my arguments?

The EU budget is about not only the net and gross amounts of money flowing back and forward, but how that money is spent. Were it given by the EU to the British Government to spend, we would not be spending it in the way that we are. We have created a dependency culture among farmers. I know a number of farmers—admittedly not many of them are in my constituency—who concede that what they mostly farm now are subsidies. The whole pattern of their growing and activity is determined by the subsidies that are available from the EU, irrespective of the agricultural, financial or economic rationale. That is not rational or right, and such decisions ought to be repatriated to this country as quickly as possibly.

The hon. Member for Hertsmere (Mr Clappison) asked what the actions of Labour MEPs were likely to be, but I think that there is little doubt. We should remember that virtually all Labour MEPs were selected under the new Labour system of allowing only those in favour of ever-closer union to progress. I can remember when a number of Scotland Labour MEPs were Eurosceptic, but when the new system of proportional representation was introduced, Labour put them all out. Ever since, only those in favour of ever-closer union have come forward. I would be astonished if any Labour MEP does anything against those interests and the interests of the greater growth and development of the EU.

Mr Desmond Swayne (New Forest West) (Con): I acknowledge the hon. Gentleman's honourable record on this matter, but will he acknowledge that the description that he just gave admirably suits the Quisling-in-chief now occupying the position of Opposition Front-Bench spokesman, who always urged the previous Labour Government on from the Back Benches?

Madam Deputy Speaker: Order. I think the hon. Gentleman's language—"Quisling-in-chief"—was a little strong, and I am sure that he would like to rephrase his view of that individual, even on an intervention.

Mr Swayne: I unreservedly withdraw the remark.

Mr Davidson: Now that the hon. Gentleman has withdrawn his remark, I shall not respond to it.

The point about the External Action Service has already been made, but I was astonished at the time of its creation that so many otherwise sensible people believed that it would result in no net growth in expenditure. Of course it was going to, and it was always intended that it would do so. It is interesting that those who wish to be deceived are deceived, including by promises from the European Union to moderate or reduce expenditure. That is simply a fig leaf. Those who accept such promises choose to do so, and then pretend to be astonished when it turns out that the situation is different. The idea that the Lisbon treaty is not the constitution is simply laughable, and only those who wish to be deceived by that twisting of words are so deceived.

Mr Cash: Does the hon. Gentleman agree that the root of the problem is not only the EU budget, but EU functions, which were greatly increased by the Lisbon treaty? The ESC agreed this afternoon that we will

[Mr Cash]

examine fully the question of parliamentary sovereignty as against European functions. Does he also agree that a precondition of reducing EU functions is asserting UK sovereignty, and requiring the judiciary to give effect to Westminster legislation and to override European legislation as and when necessary?

Mr Davidson: I accept that. It is enormously helpful that the ESC, of which the hon. Gentleman is Chair, will pursue that course of action. I only hope that the Committee does not take too long.

Mr Cash: Three months.

Mr Davidson: That is very welcome indeed. Pursuing that sooner rather than later is welcome.

The point about the External Action Service is not only that it costs more money, but that it is invidious. The desire of the EU is that it should be a state and that the EAS should be an embassy. I note that the EU has just taken over enormous premises in central London. Those will be nothing other than a centre for pro-EU propaganda and an attempt to intervene directly in British politics and British political affairs in a way that we would not tolerate from any country—I almost said "any other country." We would not allow the Austrians, the Australians, the Canadians or anybody else to have a propaganda outfit in this country that spent enormous amounts to intervene directly in British politics, yet we are prepared to allow the EU to do so. In my view, its wings ought to be clipped.

The hon. Member for Daventry (Chris Heaton-Harris), who I believe has left the Chamber, commented on the extent to which we reflect our constituents' anxiety about EU spending. I think that he was wrong, because we do not accurately reflect those. The balance of this debate is clearly in favour of constraints on EU spending, and that reflects the balance of opinion among the public, but I fear that the vote will not reflect that because vast numbers of Conservative MPs will be driven like sheep into the Lobby to support the Government and oppose any proposal to restrict the expenditure of the EU.

I hope that we will be able to return to the discussion of a referendum. It is correct for Conservative Members to point to the Labour Government's failure to honour their commitment to a referendum on the constitution, but I point to the Conservatives' failure to do the same. Given that next year Europe intends to re-examine its budget and the common agricultural policy, we should start by saying that that major revision should be put to the British people in a referendum, to determine whether they are prepared to accept the new financial arrangement, which will represent—I hope—a considerable break with what has happened in the past. Of course, it may not break with the past, but it would strengthen the Government's hand enormously if we made it clear that they were prepared to take any new financial settlement with Europe, achieved after a long period of debate, to the country for resolution.

In the meantime, I support the proposals that urge a reduction in the EU's expenditure, and I hope that we will not discover that a majority of Conservative Members oppose those proposals.

7.51 pm

Andrew Percy (Brigg and Goole) (Con): It is a delight to follow the hon. Member for Glasgow South West (Mr Davidson) and I agree with much of what he had to say. I have no intention of criticising the Economic Secretary tonight. Indeed, I support the new Government's position on the European budget and it is much more robust than was the previous Government's. In fact, I pay tribute to the Economic Secretary's contribution to the debate, which contrasted starkly with what we heard from Ministers in the previous Government. There is no suggestion that any one part of the coalition is directing another. It is especially unfair to suggest that the Liberal Democrats are not here for the long run. I fully understand that a Lib Dem is not just for Christmas—if you're lucky, there will be some left over.

I also thank the shadow Minister for her remarks. She did a great deal of good for the argument made by those of us who believe that the European Union and its budgetary processes have gone too far. In fact, by confirming that the Opposition have no policy on the issue of the European Union, she has made our job much easier. The Opposition's position is very strange. They complain about spending cuts across the country, but they fail to say what they think about the European budget. Do they think that their constituents should be deprived of spending commitments in this country for the sake of an increase in the EU budget? That is a bizarre and strange position, but it is one that I do not have to defend to my constituents.

I urge the Economic Secretary to ignore the advice of the right hon. Member for Rotherham (Mr MacShane), who suggested that we should engage in some sort of trail of dinner parties—presumably paid for by EU taxpayers' money—as, he said, the previous Government did. Where did that get us? It lost us our rebate and saw the previous Government committing to increasing the EU budget even further. We need no lectures from the Opposition on how to address this process.

I am a committed Eurosceptic. My antipathy to our membership of the European Union is widely known, and I made it very clear to my constituents at the election that I would seek a different relationship between this country and the European Union. However, that is not the debate we are having tonight. We are talking about whether we should approve sending more of my constituents' hard-earned cash to Brussels to be spent elsewhere. I am not happy to support that position, and I will certainly not support it.

What are we being asked to pay for? We are being asked to pay for a 2.5% increase in the administration costs of the European Union, at the very time when we are telling councils and Government agencies across the country that they have to reduce their administration costs. How can I square that circle to my constituents? We are being asked to approve a 5% increase in contributions to the pension budget. At the same time, I am telling my constituents that their public sector pensions will be linked to the consumer prices index, rather than the retail prices index. We are also proposing to spend an extra 4.15% on the EU schools budget, at the very moment when we will be asking schools in this country—including, possibly, the one at which I taught just a few months ago—to spend less.

We are also asking Government Members and taxpayers to approve more money for the European External

Action Service. I am pleased to say that when we had the debate on the European External Action Service, I was one of the Members in the No Lobby. As was mentioned earlier this evening, we were assured that the programme would be cost-neutral, but we now know that we will spend an awful lot more taxpayers' money on a body to represent my constituents overseas for which they did not vote.

I do not need to talk about what the extra money going on this budget increase could be spent on. We have heard about the 12,000 extra nurses or the 14,000 police constables on which it could be spent. I am not certainly going to go back to my constituents and tell them that I have voted to spend money that could have been spent on front-line NHS nurses, teacher support in schools or our brave servicemen.

We have heard a great deal today about the previous Government and what they gave up. It is an absolute disgrace that they gave up our rebate, for absolutely no reform. For the past 30-odd years, we have repeatedly been told, "Well, we'll accept this little budget increase in Europe in return for some reform." We have always been told that some reform is coming down the line, but it never comes, because the European Union is institutionally incapable of reform. There can be no doubt about that at all.

Mrs Main: There is no incentive.

Andrew Percy: Indeed, as my hon. Friend says, there is no incentive for any sort of reform.

Those who support the budget increase have made great play of the fact that the amount spent on the common agricultural policy has reduced. It has indeed reduced: it is down to about 42%. However, even without the fraud and mismanagement that we all know about, the OECD has warned that the real cost of the CAP is £125 billion a year, so we could go a great deal further. The hon. Member for Glasgow South West mentioned the fact that we are now in the strange situation whereby farmers are effectively farming subsidies. However, I have talked to many of the farmers in my constituency, and I have to say, "If only they were." Instead, we are asking them to manage environmental schemes, and at the very time when we are becoming more and more reliant on imported food.

I mentioned in an intervention on the shadow Minister that we cannot get away from the fact that the EU budget has not been signed off for some 15 years, and there is no doubt that it will not be signed off again, as my hon. Friend the Member for Daventry (Chris Heaton-Harris) said. Like other right hon. and hon. Members who are present, I am expected to go to my constituents and tell them that we would like to take more of their money to put into an institution that cannot guarantee that the money will be spent where it says it will be spent. I am not prepared to do that on behalf of the good people of Brigg and Goole who sent me here and whom it is my privilege to serve.

There is a broader issue, about the relationship between this country and the European Union, which touches on people's engagement with and perception of the European Union, which was mentioned in earlier speeches. I note that Open Europe, which is a very sound pressure group, conducted a poll that found that 54% of people agreed with the statement that the Government should drop the Lisbon treaty and not try to ratify it. That 54%, as was proved in other polls, was ignored; the previous Government forced the Lisbon treaty through and broke an election promise. Some 65% of people believe that the European Union is out of touch with normal people, but sadly it is normal people's hard-earned cash that is used to fund the EU, while 88% could not name their MEP. I wish that I did not know the names of some of my MEPs. Turnout for European parliamentary elections was at its highest in 2004, an abysmal 38.5% when I was up for election as a councillor, and it is a pretty poor pass when councillors such as me are used to drag up the European election turnout.

There is a general view in this country that the political elite is out of touch with the British public on the issue of Europe. My concern is that, if we approve yet more cash for the wasteful institution that is the EU, the gap between what the public expect and the position of the political elite will widen yet further. That would not be healthy.

Andrea Leadsom (South Northamptonshire) (Con): Many people at the last general election who cared a great deal about Europe and were furious about it felt that voting Conservative was the way to ensure that something would be done about the massive amount of waste and bureaucracy in Europe. We owe it to them to achieve that.

Andrew Percy: I could not agree more with my hon. Friend. As I said earlier, what we heard from the Economic Secretary to the Treasury today was incredibly refreshing, and I am heartened that she is going to fly off to Brussels tomorrow and bang the table on behalf of British taxpayers. The British people expect someone to stand up for them in Europe, and I have no doubt that the Economic Secretary will do so.

Robert Halfon: My hon. Friend is making an excellent speech. Does he agree that this should be a question not of freezing the amount of money that we give to the European Union, but of reducing it substantially? If we are cutting departmental budgets here rather than freezing them, we should also be reducing the EU budget. That is what taxpayers want.

Andrew Percy: My hon. Friend hits the nail on the head. It has come to a strange pass when I have to explain to my constituents why a number of their play parks, costing some £5,000 to £10,000 each, can no longer be afforded because we have run out of money—as we know we have, because Labour has admitted it—only to have to tell them that we need to find £435 million more to send to projects overseas. I fully accept that some of that money will come back here, but a large chunk of it will not. We would not expect our constituents to invest in a bank that offered that kind of a deal.

I support the strong stance that the Economic Secretary set out earlier, and I hope that there will be significant movement on this issue in the coming months and years. However, we are being asked tonight whether we are prepared to ask our constituents, at a time when we are making massive cuts and asking them to make savings, to foot the bill for much more money for Europe. That is not something that I am prepared to do to the voters of Brigg and Goole.

Several hon. Members *rose*—

Madam Deputy Speaker (Dawn Primarolo): Order. I want to inform the House that I intend to give those on the Front Benches time to make a brief response to the debate, and I shall do that at 8.22 pm. There are still a number of Members who wish to speak, so I ask them to do the maths and to help their colleagues out if they can, please.

8.3 pm

Gordon Henderson (Sittingbourne and Sheppey) (Con): Over the past few months, we have spent a lot of our time debating one aspect or another of the financial crisis in which the country finds itself. Britain has a huge deficit, and the British public have collectively built up a mountain of personal debt. All in all, we are in a real mess. The Government have set out a series of measures to reduce the national debt, and I know that many individuals—including people in my constituency—are trying hard to cut down their indebtedness. These are tough times for us all, and we are not alone. Many other countries around the world, including many in Europe, are facing huge financial challenges and struggling to balance their books without pushing their national economies into another recession.

In this era of uncertainty and austerity, what does that organisation of probity and good governance, the European Commission, do? It proposes to increase the EU budget next year by 5.8%, which in real money represents an increase of £6,102 million. What planet do European Commissioners live on? They live on the planet of self-indulgence. They live in a cushioned climate of privilege in which the Brussels gravy train does not stop long enough for them to see what is happening in the real world.

To be fair to our own British Government, at least they recognise the stupidity of the European Commission. As the Economic Secretary wrote in a briefing note and confirmed this evening, the Government are very concerned about the proposed increase in appropriations of 5.8%. They might be very concerned, but I would be absolutely livid. I give at least one out of three cheers to the Treasury for that statement but, sadly, I cannot bring myself to give it any more cheers. My hon. Friend let herself down in addressing the EU problem by proposing that the EU budget remains at cash levels equivalent to the 2010 budget. That is also why I cannot support amendment (a). I bet all those Ministers tasked with making a 20% cut in their departmental budgets are a bit narked. I am sure that in the present economic climate, they would be delighted to be given a zero growth budget.

Like many other right hon. and hon. Members, I have been inundated with letters and e-mails complaining about the proposed cuts in benefits, increases in tuition fees and changes to public service pensions. There is a great deal of disquiet out there and representing a constituency that has some of the most deprived areas in the south-east within its boundaries, I share some of that disquiet, but I am happy to go into bat on behalf of the coalition Government and to argue the case for those cuts. I believe that in their heart of hearts, most people in my constituency understand that we have no choice but to push through those cuts if we are to reduce the mountain of debt we inherited from the previous Government.

In common with my hon. Friend the Member for St Albans (Mrs Main), however, I would not be able to look my friends and neighbours in the eye if we drove through a programme of painful cuts in our public services, while at the same time bunging the EU billions of pounds to waste on grandiose schemes such as the European External Action Service and the European Institute of Gender Equality in Vilnius, Lithuania, for which, incidentally, the UK is being asked to cough up £800,000.

Next year, the European Commission proposes to spend £7 billion on administration. By my calculation, the UK's contribution to those administration costs will be about £1 billion. If Government Departments and public bodies in this country are being asked to cut their administration costs, it is surely right to expect the European Commission to do the same.

Charlie Elphicke (Dover) (Con): Does my hon. Friend note with concern that where the UK has a 15% increase in public spending over five years, the European Union wants to increase its spending by 60%?

Gordon Henderson: I am aware of those figures and I think that they are scandalous.

My hon. Friend the Economic Secretary has said that the British Government will press the EU to deliver greater value for money, and I am sure that she and the Government will do so, but does anyone here really believe that our friends across the English channel in the European Commission will actually listen to them? When the draft budget is eventually presented to the European Parliament for debate later this year, do Treasury Ministers really think that anyone other than a small group of British MEPs will take a blind bit of notice of their view? I think not.

I would personally like to see the Government unilaterally reduce the UK's contribution to the EU budget for 2011 by the average percentage cut imposed on Whitehall Departments. If the European Commission and the European Parliament do not like it and kick up a fuss, we should immediately hold a referendum on Britain's continued membership and let the British people decide our future once and for all. Perhaps we could hold it on the same day as the referendum on the alternative vote.

I support amendment (b), and I urge Members in all parts of the House to do the same.

8.10 pm

Mr Dominic Raab (Esher and Walton) (Con): I think it worth repeating plainly from the outset—not least in response to some of the observations made by the hon. Member for Glasgow South West (Mr Davidson)—that the last Government failed hopelessly to stand up for the British national interest in Brussels. They failed to secure the overhaul of the common agricultural policy that Tony Blair promised, and they failed to defend Britain's rebate, as a result of which we now pay an extra £2 billion to Brussels each year. As we have already heard, they also broke their promise to the people to give them a say on their own future through a referendum on the Lisbon treaty. The present Government have done more to fight Britain's corner in Europe in the last six months than Labour managed in 13 years, proposing a referendum lock, retaining Parliament's right to review the UK budget before the Commission, and defending the rebate.

With that in mind, I welcome the Government's pledge to work to control the growth of the EU budget and to deliver better value for money for the British taxpayer. That is imperative as we act to reduce the largest budget deficit in the G20, inherited from the last Government. I also welcome the fact that the Commission's proposed increase for 2011 has been halved, from 5.8% to 2.9%. That is a start.

The case for a more robust and rigorous approach to these negotiations is now overwhelming. It cannot be right for the European Commission to bid for a rise of almost 6% in its budget when so many member states, including Britain, are having to rein in excessive public spending. Let us take just one example. Why is the EU budget on justice and security going up when the UK faces cuts in spending on police and prisons at home? That is even less defensible when we consider the Commission's detailed plans for the money.

First, there is the enormous waste involved. We have already heard about the EU's administrative budget, which is set to rise year on year by between 4.4% and 5.5%. Can the Minister reassure us that the Government will continue to resist strenuously an increase in the amount of British taxpayers' money that is forked out on this bloated bureaucracy? Secondly, there are the special interests—what the Americans call pork-barrel spending. Is it really necessary to spend €104 million on

"increasing the circulation of European audiovisual works inside and outside the European Union"?

Is it really necessary to spend €24 million on bee-keeping, and to spend half a million euros on "aid for silkworms"? Speaking of which, what possible justification is there for Lord Mandelson to continue to pocket £8,600 per month, via the Commission, for a golden goodbye as we freeze public sector pay at home?

As the Business Secretary told MEPs last month,

"no one can understand why the European budget is not being subjected to the same discipline"

as national budgets. Nothing is more likely to erode further the confidence of the British public in a Brussels clique that is woefully out of touch.

As we make cuts at home, the UK taxpayer will contribute £7.7 billion to the EU budget this year, and by the end of the current Parliament that figure is expected to rise to £9.5 billion. As its own budget defies economic gravity, the Commission, unabashed, presses for greater control of national budgets. Will the Minister reassure the House that she will reverse those skewed priorities, and will fight both to rein in excessive EU spending and to safeguard national scrutiny of our own budgetary process?

Above all, this budget demonstrates, line by line, how important it is for Britain to retain its rebate. As of December 2009, the rebate has saved the British taxpayer £65 billion since 1984. Can the Minister give us a categorical guarantee that we will never repeat the supine sell-out of 2005?

Having listened carefully to the debate, I cannot help feeling that the most compelling arguments remain those advanced by the Government when they joined Denmark, Austria, the Czech Republic, Finland, the Netherlands and Sweden in voting against this wretched budget in August.

8.14 pm

Charlie Elphicke (Dover) (Con): I will be as brief as possible. I just wanted to note the following numbers. The total managed expenditure in the United Kingdom Budget will be £697 billion in 2010-11 rising to £700 billion in 2011-12. That is an increase of just 0.5%, whereas the European Union is really gunning for it with a 5.8% increase and, as we have heard, administration costs will rise by 4.4%.

It is worth noting what the Commission has to say about the administration costs. It says it has made particular efforts to limit its administrative expenditure and that rise is partially due to the higher than expected salary increases in 2009. So we in the UK are implementing austerity and limiting the pay rises for our public sector workers while the EU just carries on serenely as though nothing has happened. An increase of €380 million is entirely unacceptable.

We have heard about the total number of doctors, nurses and others who will be affected in the current circumstances, but let us look at the constituency numbers: nine doctors per constituency, 19 nurses, 23 policemen and 34 troops. That is the scale of the situation we are facing. The EU budget is therefore a ferocious and astonishing waste of money. It is entirely unacceptable that over a five-year period we in the UK are having a 10% rise in spending, but there will be a 60% rise for the EU. What do we as a nation get for that? Do we get any value at all?

Finally, I want to congratulate the Economic Secretary on making the strongest and most impassioned case on Europe from the Dispatch Box that any of us has seen in the past 20 years, setting out that the Government will take the EU to task and bang the table and make the points that need to be made. I hope I speak for the whole House when I say that in negotiating on this matter she has our strongest and best wishes. All Members on the Government Benches certainly want her to get the best deal for Britain.

8.17 pm

Mr John Redwood (Wokingham) (Con): Conservative Members clearly have a very simple message for the Minister: we wish her well and we wish her to be strong and fierce in argument and debate, because we think she should be more ambitious. It is not enough just to freeze this budget; this budget has to be brought down. If there is any budget of all the budgets we look at in this difficult time about which we can say, "We can get away with cutting that," it is this budget. I suspect many Opposition Members would agree with that, were they honest about it. We are talking about a budget of €143 billion or £120 billion, which is more than we spend on the national health service. A big chunk of that budget is down to us, and we get nothing like the value out of it that we get from the NHS.

I therefore hope the Minister will look to the following very important precedent. The last time we had a good battling female Minister who stood up for Britain she was armed only with a handbag, yet with that one piece of equipment she came back with the biggest rebate we ever got: the rebate the Labour party stupidly gave away, and the rebate we need back. That rebate would give us twice as much money as the amount the Government are hoping to save from the cut in child benefit. We

[Mr John Redwood]

know the Minister has the right equipment. She assures me that she has an excellent handbag, so we wish her every success in putting that argument.

The argument to the Greeks, Italians and Portuguese must be that they are having to make far worse cuts than any that are suggested for the European budget. We can cut collectively in a much more sensible way than the damaging domestic cuts they are having to put to their electors. The French have already had riots on the streets over their domestic cuts. I am sure they will agree with our Minister that there are some easy pickings to be had by removing items from this European budget. I therefore also hope the Minister will point out that because this is a levy on all the member states and all the member states are borrowing too much money, every penny and cent of that €143 billion is going to be borrowed. The taxpayers will not just have to pay once, therefore; they will also have to pay all the interest on that and be ready to repay the debt.

Is this really the kind of thing we want to be borrowing money for? Of course it is not. So Godspeed to you Minister: put the case, and win over all those other Governments. They will surely agree with us that it is better to cut the European budget than to cut important domestic programmes.

Mr Bone *rose—*

Madam Deputy Speaker: I call Peter Bone and ask him to be brief.

8.19 pm

Mr Peter Bone (Wellingborough) (Con): I shall be brief. It is difficult to follow my right hon. Friend the Member for Wokingham (Mr Redwood), but I just wanted to say what a change it is to be in the House discussing a European issue when all on the Government side are united. New Back Bencher after new Back Bencher has said to the Minister, "We support what you say; go a little bit further." We have heard the Minister accept an amendment tabled by my hon. Friend the Member for Stone (Mr Cash). I say to the hon. Member for Glasgow South West (Mr Davidson) that he has tabled a lot of amendments but I cannot remember his Government ever accepting any of them. The Minister was also kind enough to say that had amendment (b) been worded slightly differently, she would have accepted that too.

The coalition Government are united, but I want to give a little help to the Minister by suggesting that if amendment (b) is passed, or if many Members vote for it, that will help her in the negotiation tomorrow. Just peeking over, I can see that she has got a very large handbag, so I ask her to use it tomorrow.

8.20 pm

Mr Wayne David (Caerphilly) (Lab): We have had a very interesting debate. Before it, I had thought there was a chance that perhaps the Conservative party had changed, and that it had learned the errors of its ways and said farewell to Eurosceptism. But no, Eurosceptism is alive and well in today's Conservative party and, in fact, it would appear to have been given a new lease of life. In reality, many of the contributions made by Conservative Members today were speeches against not only the European Union budget per se, but the European Union as an entity.

I urge Conservative Members to continue to be frank, but I must ask where the Liberal Democrats were. Until recently, that party used to pride itself on being the most pro-European in Britain. Well, in this debate the Liberal Democrats have certainly withdrawn to the fringes, as we have seen them do this week generally. Apparently, no compromise is too much for them, no U-turn too sharp and no sell-out too great. What is true in domestic politics is equally true on Europe.

What about the Conservatives? Let me make it clear that an efficient and effective EU budget is important for Britain. The majority of our exports go to the rest of Europe and that is why the EU budget must act as a stimulus for growth. We need to reinforce the conditions for future growth and, as is said in the commentary on the draft budget, we must invest

"in research, development, and innovation, infrastructure and human capital"

because all of those

"are at the heart of economic modernisation".

That is not to say, however, that we should not be hard-headed about what areas of EU expenditure should be reduced. It is right that there should be a freeze on EU staff recruitment in Brussels and that various benefits for current and retired EU officials should be reduced. There is a necessity to maintain budgetary discipline, and we must always ensure that there is value for money at a European level. Equally, we should be prepared to say that further savings should be made. Let Britain champion, for example, the ending of the ludicrous circus of the European Parliament travelling back and forth between Brussels and Strasbourg—the Government say a lot about it but have done absolutely nothing. Let us examine whether it is really necessary for the EU to promote culture and let us continually make the case for reducing subsidies to well-off farming interests.

Of course Labour Members support the Government's aim of reducing the EU budget, but the reality is that the amended budget, agreed by the Council of Ministers in August, represents an increase of 2.9% compared with this year's budget. We know that the UK Government, along with smaller Governments from across the EU, voted against the amended budget. But, we know that the Government lost the debate and the vote in the full European Council—so much for the Government's claim to be winning the arguments in Brussels.

Even though the Government initially mellowed their strident Eurosceptism, which the Conservative party displayed in opposition, their lame and half-hearted attempts to fight for British interests are falling far short of what is needed. The Conservatives' decision to withdraw their MEPs from the mainstream European People's party, along with their vacuous proposals for constitutional tinkering, debilitates Britain's engagement in Europe.

What this country needs is a Government who fight hard for British interests, not through posturing but through purposeful co-operation around a positive agenda—an agenda that recognises that if Britain is to succeed in the modern world, it must be a Britain that is located firmly in the mainstream of international co-operation.

8.24 pm

Justine Greening: With the leave of the House, in the short time available I want to respond to the debate. First, may I express my gratitude to the many Members of this House who have expressed their support for what our Government are trying to do in tackling the remorseless rise in the EU budget? Hon. Members have played an essential role in scrutinising the budget and I thank them for their participation.

In particular, I pay tribute to my hon. Friend the Member for Stone (Mr Cash), whose amendment we support, for his reasoned and impassioned comments on the challenging process to cut the Commission's 2011 budget proposals. Our stance is that we want a cut—a real-terms cut—and as my hon. Friend's amendment also points out, although we have challenged the budget at a Council level, we now need to put pressure on the European Parliament, too. His amendment does just that.

For the reasons that my hon. Friend set out, we cannot support amendment (b), tabled by my hon. Friend the Member for Clacton (Mr Carswell). We need to maximise the chance that we have as a Government of achieving our blocking minority, as my hon. Friend the Member for Stone so eloquently set out, and amendment (b) would not help me to achieve that objective for the Government. In fact, it would risk preventing me from doing so.

Zac Goldsmith (Richmond Park) (Con): Will my hon. Friend give way?

Justine Greening: I must make some progress, because we have very little time left.

In the wake of the worst financial crisis in living memory, and with the events that subsequently unfolded, we have said today in this House that we believe—rightly—that there is no justification for an increase in the EU's annual budget of nearly 6%. In fact, as we have heard, countries across Europe are taking steps to ensure fiscal consolidation, and there is a strong case for the EU to follow suit—I know that the House can tell that I am taking that case to Europe directly and making it to those countries. My right hon. Friend the Member for Wokingham (Mr Redwood) pointed out how they are taking difficult decisions, and I made that exact point in French to the French Finance Minister.

At a time when all our European neighbours are looking to rein in public expenditure, the EU should not be looking to carry on with business as usual. It cannot be a case of carrying on regardless. That is why we voted against the Council's first reading, which went in the right direction but did not go far enough—a view seemingly shared by everybody in this House apart from those on the Opposition Front Bench. They let us down by losing part of the rebate in 2005 and now in 2010 they are letting us down again by failing to support our efforts as a Government and as a coalition of parties on behalf of the British taxpayer to get value for money.

My hon. Friend the Member for Sittingbourne and Sheppey (Gordon Henderson) asked how many MEPs will vote against this provision. I can reassure him that we are already talking to our partners in Europe and in our group—the European Conservatives and Reformists. I have spoken to my hon. Friend the Member for Scarborough and Whitby (Mr Goodwill), my good friend, and he assures me that he spoke yesterday to the Whip in charge of that group and all that group will be voting against a rise in the European Parliament when it comes before them. I urge those on the Opposition Front Bench to join us in that and to confirm that their Socialist group will do that. If they want to help the British taxpayer, they can start lobbying their own group in the European Parliament in the way that we have already successfully done.

Finally, we have spoken a lot tonight about concerns over the effectiveness of the EU spend and how well it is accounted for. I share those concerns. In fact, the last Government never used their vote when they took a look at the European audit accounts. We plan to be ready to use our vote if we see accounts that fail to meet the standards that we think they should. If we see accounts that contain points made by the European auditors that we believe the Parliament is not taking on board, we will be ready to use our vote in future to challenge the Commission in a way that the last Government never were.

I want to thank Members again for their valuable contributions. It has been incredibly useful for me to have this debate, particularly on the day before I travel to Brussels to defend our national interests and to get the best possible deal for the taxpayer.

Kerry McCarthy: Will the Minister give way?

Justine Greening: Not unless the hon. Lady is about to say that Labour MEPs and their Socialist group will support us.

Kerry McCarthy *indicated dissent.*

Justine Greening: Sorry.

This year, member states have been taking unprecedented action to restore sustainability to their national finances, making tough choices today to deliver a better future tomorrow. That is the case that I shall be making to my colleagues across Europe in the days and weeks ahead. In these times of austerity, there is no justification for ineffective, wasteful expenditure and there is a real need to scrutinise every euro of spending to ensure that it delivers what is promised. The Opposition might not want to play a role in challenging the unacceptable Commission budget rise, but the Government and we on the Government Benches will. I commend the motion to the House.

Amendment proposed: (b), leave out from 'the financial year 2011' to end and add

'is concerned at the above-inflation increase being made to Britain's EU budget contribution; believes that, at a time when the Government is poised to make reductions in public spending elsewhere, it is wrong to increase that contribution; and calls on the Government to reduce Britain's EU budget contribution'. *—(Mr. Carswell.)*

Question put, That the amendment be made.

The House divided: Ayes 42, Noes 252.

Division No. 75] **[8.30 pm**

AYES

Baker, Steve	Bingham, Andrew
Baron, Mr John	Binley, Mr Brian
Bebb, Guto	Blackman, Bob

Carswell, Mr Douglas
Chope, Mr Christopher
Clappison, Mr James
Cox, Mr Geoffrey
Cryer, John
Davidson, Mr Ian
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Eustice, George
Goldsmith, Zac
Halfon, Robert
Heaton-Harris, Chris
Henderson, Gordon
Hopkins, Kelvin
Latham, Pauline
Lewis, Dr Julian
Main, Mrs Anne
McCartney, Jason
McCartney, Karl
Mosley, Stephen
Nuttall, Mr David
Percy, Andrew
Reckless, Mark
Redwood, rh Mr John
Reevell, Simon
Skinner, Mr Dennis
Stephenson, Andrew
Stewart, Bob
Stuart, Ms Gisela
Stuart, Mr Graham
Turner, Mr Andrew
Vickers, Martin
Walker, Mr Charles

Tellers for the Ayes:
Mr Peter Bone and
Mr Philip Hollobone

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Birtwistle, Gordon
Blackwood, Nicola
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cable, rh Vince
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Djanogly, Mr Jonathan
Dorries, Nadine
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kirby, Simon
Knight, rh Mr Greg
Laing, Mrs Eleanor
Lamb, Norman
Lansley, rh Mr Andrew
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
MacShane, rh Mr Denis
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McLoughlin, rh Mr Patrick
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, Dr John
Randall, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Ruffley, Mr David
Russell, Bob
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Stanley, rh Sir John
Stevenson, John
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris

Wiggin, Bill	Wilson, Mr Rob
Willetts, rh Mr David	Wollaston, Dr Sarah
Williams, Mr Mark	Wright, Simon
Williams, Roger	Young, rh Sir George
Williams, Stephen	**Tellers for the Noes:**
Williamson, Gavin	**Mr Shailesh Vara and**
Willott, Jenny	**Jeremy Wright**

Question accordingly negatived.

8.43 pm

Proceedings interrupted (Order, 12 October).

The Deputy Speaker put the Questions necessary to dispose of the business to be concluded at that time.

Amendment made: (a), at end add

'and calls on the Government to reject European Parliament proposals to increase the budget'.—*[Mr Cash.]*

Main Question, as amended, put and agreed to.

Resolved,

That this House takes note of European Union Document No. SEC(2010) 473, Statement of Estimates of the European Commission for the financial year 2011; and supports the Government's efforts to maintain the 2011 EU budget at the cash levels equivalent to the 2010 budget, while ensuring better value for money in EU expenditure; and calls on the Government to reject European Parliament proposals to increase the budget.

Madam Deputy Speaker (Dawn Primarolo): Order. May I ask Members to leave the Chamber, if that is what they wish to do, quietly and quickly so that the rest of the business of the House can continue?

DELEGATED LEGISLATION (COMMITTEES)

Motion made,

That the Town and Country Planning (General Permitted Development) (Amendment) (No. 2) (England) Order 2010 (S.I., 2010, No. 2134) and the Town and Country Planning (Compensation) (No. 3) (England) Regulations 2010 (S.I., 2010, No. 2135), be referred to a Delegated Legislation Committee.—*(Stephen Crabb.)*

PETITION

Intercity Express Programme

8.44 pm

Phil Wilson (Sedgefield) (Lab): The petition states:

The Petition of residents of the Sedgefield constituency, and others,

Declares that the petitioners believe that the Government should implement the procurement of rolling stock through the Intercity Express programme, which would lead to Hitachi building a manufacturing site in Newton Aycliffe; and further declares that this would result in the creation of hundreds of direct jobs and thousands of jobs in the supply chain, of which the majority would be in manufacturing, giving a much needed boost to the North East economy and improving rail services nationwide.

The Petitioners therefore request that the House of Commons urges the Government to implement the procurement of rolling stock through the Intercity Express Programme.

And the Petitioners remain, etc. [P000863]

Degree Validation (University of London)

Motion made, and Question proposed, That this House do now adjourn.—*(Stephen Crabb.)*

8.45 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): To my great surprise, I have just discovered the only joy of being on the Opposition Benches—the wrong side of the House—for an Adjournment debate: I can actually look at the Minister, rather than just seeing his back.

May I declare two interests? One is a formally declarable interest and the other a more personal one. The formally declarable one is that I am an unpaid member of the board of the university of London's international academy. The other one is that I hold a law degree, which the university of London awarded under what in those days was referred to as the "external system".

I must relieve the Minister's anxiety, because despite this debate taking place a day after the Browne report and a week ahead of the comprehensive spending review, I am not asking for money. I thought that I would take away that worry, so that he might relax a little. I am genuinely trying to be helpful, because we need a higher education system that is open, diverse and accessible. Why did I request this debate, and what do I want the Minister to do? I want to put forward a few suggestions. If we all agree that we need to expand the number of people who benefit from quality higher education, we have to do a number of things, some of which Lord Browne pointed to yesterday.

First, and most importantly, we have to stop assuming that the only way in which one can acquire a degree is by being campus-based and studying for three years. Browne is quite clear that we need to move towards a more flexible system that responds to the needs of students and the economy. Secondly, on perhaps a more unpopular point in the current climate, we have debated what the top level of fees should be, but we should stop and consider what we get for those fees. The conclusion that higher fees are either good or bad is too simplistic, because the question is what do universities offer in exchange for the fees that they charge. Thirdly, an even more difficult point is that we have to move away from the belief that there is a magical solution, because at some stage or another someone, somewhere will have to pay for it all. The question is how we raise the money, because nothing comes for free nowadays.

We need to face up to the fact that, first, some degrees from some institutions are of a higher quality and standing than others; they are not all the same. Let us stop pretending that they are. Secondly, some degrees and qualifications offer a better prospect than others of future employment. Thirdly, some people—I suggest an increasing number—will require greater flexibility of access to higher education than traditional universities can offer.

As a result, I want the Minister to face up to some of the perversities that—quite unintentionally, I think—have arisen over the past few years. We have seen universities fined for taking on additional students and given disproportionately little support for part-time students. We will have to encourage institutions such as the university of London and the Open university to provide more high-quality degrees at an affordable price, and with the highest possible flexibility for students.

[Ms Gisela Stuart]

What is so special about the university of London? People may not be aware of it, but Charles Dickens—well ahead of Alastair Campbell—referred to it as the "people's university". Established in 1838, it was the first university in the United Kingdom to open its doors to women, and in 1858 it launched the external system. For more than 150 years, the university of London has offered students the opportunity to sit its exams without having to attend the university itself. Its alumni include seven Nobel prize winners, such as Nelson Mandela, who studied while imprisoned on Robben island and, more recently, Charles Kao, who received the Nobel prize for physics in 2009 for groundbreaking work carried out in the UK on the science of fibre-optic cable.

The strength and reputation of the university of London is based on the fact that irrespective of how a student acquires the knowledge and where they are based—that is very important—academic standards are not compromised. The present-day mission statement of the university of London's international academy is still faithful to its 152-year history:

"To provide worldwide access to the internationally renowned academic programmes and awards of the University of London and its colleges."

The enormous breadth of academic resources within the federal university of London enables a range of collaborations within the university to deliver the programmes. The basis of the collaboration between the colleges and the central university is that the academic expertise is located in colleges, whereas the central university undertakes administrative support for the students and other agencies here and abroad.

There is no comparable university offering flexible and worldwide access to degrees of such high international standing. There are currently some 45,500 students in 180 countries studying by distance and flexible learning, with another 6,000 in the UK. The university receives no teaching grant for its external students, and UK-based students are entirely self-funding. The university of London's international academy may already be well adapted to the new realities to which Lord Browne's report is pointing us.

Fees are identical across the 180 countries. For example, the largest individual set of programmes—those provided in collaboration with the London School of Economics—cost in the order of £3,500 for the entire degree. That includes materials, access to an online library, and all examination fees. Globally, some 70% of undergraduate students also pay fees to local third-party providers to obtain learning support, but the majority of UK-based students study on their own. If one compares that with an annual fee for a traditional English campus-based degree of £3,290, one can see that the university of London's international programme offers remarkably good value for money for unsubsidised provision.

How does it work? Let me describe how I took my degree; this may explain why the Member for Birmingham, Edgbaston, who has Birmingham university on her patch, is making a pitch for London university. It was the early '90s, I was in Worcestershire, and I had two small children. I wanted to go back to university to kick-start my brain, and I thought that a law degree would be a very good way of doing it. There was no way, financially or practically, that I could have done a campus-based degree, but I could take two years to do year 1, studying tort, contract law and the English legal system by attending lectures at Worcester college of technology, franchised from the university of Worcester. For year 2, studying land law, tort and trust law, I could find local lectures, but for European Union law I attended weekend courses in Cambridge. For year 3, I went down to London on a Friday night to attend lectures on contract law. Incidentally, an exceptionally good lecturer at the time was someone called Nick Bourne, who is now the Conservative leader in the Welsh Assembly Government. For private international law and jurisprudence, I was essentially on my own. That extraordinary mixing and picking of attending courses, doing things on my own and going to other places gave me the flexibility to acquire a degree within a four-year period, at a cost that I could handle, that no other system could have provided.

There were two highlights. One of those was winning the Convocation prize for land law, which meant that I was invited to Senate house and, for the first time, met other external law students. In those days, in the early '90s, there were quite a number of police officers who would have joined the force without a degree but had to acquire one in order to get promotion. They were men in their early 30s, or even late 30s, who could not have achieved that in any other way. It was extraordinary that even though we were from the hard-nosed '60s generation who thought that prizes were rather pathetic and we were not going to rise to them, we all had to agree that we had a remarkable sense of achievement. The degree ceremony at the Barbican centre was extraordinary, too, and I knew that my 2:1 would stand up to scrutiny from any other institution. There was a meritocracy of commitment and hard work, but the course was diverse, socially mobile and accessible. We should learn from that system.

London university's infrastructure and global scope is also important. It has 550 examination centres worldwide and has local relationships with the British Council, national examination authorities and other organisations. That not only provides flexibility for its students in the UK but gives internationally mobile postgraduates access to its courses. For example, a large number of postgraduates are registered in programmes resulting from the collaborations with the School of Hygiene and Tropical Medicine and the School of Oriental and African Studies. Those students are often practitioners of international public health and/or international development who undertake part of their studies in the UK and part on assignment overseas.

I wish to say a brief word about the Open university. Like the university of London it cannot—nor should it—compete with campus-based universities. The latter provide a tremendous benefit and learning experience. As I said, Birmingham university is in my constituency and I know its importance. However, institutions such as the Open university, with its very good online teaching material, and the university of London add to the available learning provision. Distance learning is an important part of that. The Minister is quoted in the October edition of *Prospect* as saying that he has proposed that

"it should be easier for new colleges to set up as teaching institutions with degrees externally awarded by another body, such as the University of London—which is how higher education expanded from about 1850 to 1950. It's a way of bringing in new providers and giving students greater choice."

He is absolutely right, and I want to make it clear that London university is not about franchising, which offers opportunities but has inherent dangers. The key thing about the university is that assessment is undertaken by its college-based boards of examiners, to the same standards that are applied to its internal students. That is how it ensures and maintains quality.

I should like the Minister to examine what the university of London's international programme has to offer, ensure that the vested interests of universities do not hamper the diversity of provision, and above all accept that what matters are academic standards, which can be upheld only if there are rigorous examination boards. It will be a success to me if, in five years' time, London university has 50,000 students based in the UK, as it did in the 1950s, as well as its international students. Let us not reinvent the wheel, but let us examine what we already have, see what works and build on it.

8.58 pm

The Minister for Universities and Science (Mr David Willetts): I am grateful to the hon. Member for Birmingham, Edgbaston (Ms Stuart) for raising this important issue in the way that she did, because it is of great interest. She began by saying that although it was regrettable that she had to stand on the Opposition side of the House, at least she could look Ministers in the face. I agreed with so much of her speech that she would have been very welcome to deliver it from our side of the House and look at my bald head from behind. It was an excellent speech, and I fully endorse her analysis.

The hon. Lady is a knowledgeable speaker on universities and; as she described, earned her own bachelor of law degree through external study at the university of London.

As the hon. Lady will know, since becoming Minister for Universities and Science, I too have talked about the validation of degrees and external study as a way of realising a more diverse higher education sector. Such arrangements will enable us to enhance and reward good-quality teaching and allow students from all sorts of backgrounds to benefit from a university education, exactly as she eloquently described.

The hon. Lady kindly referred to my comments in *Prospect*. Of course, in a speech at Oxford Brookes in June, I first tried to set out the argument that the university of London external degree-awarding model could be an important way forward for our HE system. The coalition wants a sector that is open to any provider capable of delivering a high-quality learning experience to students, and one in which the many and varied demands of students are well catered for, and in which providers who are innovative and offer good value for money can thrive.

I should report to the House that the current situation is that any higher education institution with its own degree-awarding powers is free to establish partnership arrangements, including validation, with other institutions, which allows the latter to offer courses leading to the award of degrees. However, I fully understand that the hon. Lady set a rather more demanding test than simply franchising. She talked about people having the ability to sit external degrees and described a direct relationship, and I fully understand the significance of that.

When I have advocated the university of London external degree model, some have worried that it meant that existing degree-awarding powers would be removed from existing institutions, but that is absolutely not the intention. We also have no intention of micro-managing the exact way in which degrees are delivered. However, we want a sector that is open to a much wider range of delivery models, which certainly includes the kind of arrangements the hon. Lady described in the context of the university of London external degree.

We want to encourage degree-awarding institutions to expand their validation and other external examination arrangements with independent partners, including private providers and further education colleges. A course that is validated at a non-degree awarding institution should be subject to exactly the same quality assurance processes, and therefore be of the same quality and standard, as one taught at the awarding institution. Responsibility for the standards and the quality of all programmes and awards remains with the awarding body no matter the nature of the partnership arrangements. The Quality Assurance Agency ensures that by looking at how the awarding body manages its links with partners, which it does at home and abroad.

However, I take the hon. Lady's point. She specifically wanted to focus on the university of London model. That university has a significant role in the history of the development of higher education in our country. For a century, the majority of English and Welsh universities offered university of London external degrees before they received charters to award degrees of their own. The universities of Wales, Liverpool, Bangor and Bristol—to name but a few—all began in that way. The process, therefore, of setting up a teaching institution that delivered external degrees from the university of London was fundamental to the expansion of higher education, but it retains genuine potential.

New institutions that are focused entirely on teaching could benefit from attaching themselves to established, well-respected university degrees and other qualifications. That is one means for them to build a teaching reputation of their own. That could include, for example, FE colleges looking to improve their HE range or wholly new entrants to the sector. Validation or other external degree arrangements could inspire confidence among applicants, as well as offering them greater choice and cheaper options. They could also help providers to gain traction among employers, who already support a range of externally validated qualifications such as HNDs, HNCs and BTECs, because they represent consistent, trusted standards.

I have already asked the QAA to look at any barriers or implicit assumptions within the quality regime that tie higher education to a model that requires institutions to award their own degrees. Similarly, degree awarding powers should not depend on directly delivering teaching. Any such assumptions should go. Another option is to deliver externally validated degrees online or through teaching centres, as the independent provider Kaplan has started to do. Kaplan is now offering 3,000 places across the country for students to study towards university of London external degrees.

London's external system, recently rebranded as its international programme, is indeed one of the oldest and most successful distance learning delivery systems in the world. Today, there are registered teaching centres in 18 countries, including Bangladesh, Canada, Hong Kong, Jamaica, Switzerland, Thailand and of course

[Mr David Willetts]

the UK. The system offers more than 100 courses, all of which have been developed by the colleges of the university of London. Students are enrolled as university of London students and are graded to the same standard—the crucial point that the hon. Lady made—but they can access support from teaching centres independent of the university, as well as learning tools provided by the university. Graduates receive a degree certificate from the university of London, and a second certificate indicating the lead institution.

Like externally validated degrees, remote learning through the London international programme, or the excellent Open university courses, gives people more choice so that they can study at a place and a time that suits, often at home—and the hon. Lady gave some good personal examples of that. For new providers, collaboration with a world-class university can give them a foothold in the sector where a validation arrangement may not be practicable.

As well as the domestic challenge, to which the hon. Lady referred, delivery of British higher education qualifications overseas is a growth area, with the university of London and the Open university very much among the pioneers. More and more of our universities, in fact, are moving into what is known as transnational education, allowing them to teach a broader range of students and to work with more teaching providers than direct delivery alone would achieve. I am delighted that our universities are building their global profiles in that way.

The Government side of the House—indeed, on the evidence of this evening, both sides of the House—believes that external degrees and opportunities for new HE providers can be thoroughly debated in the wake of the Browne review and pursued as we get down to the business of supply-side reform. Both are promising ways of growing the sector cost-effectively during this period of austerity and of innovating while guaranteeing quality, because we would be applying proven methods.

After consultation, the Government intend to provide detailed proposals to which the sector can react. We will publish a higher education White Paper, leading—we hope—to a higher education Bill in autumn 2011. That will be an opportunity to consider the ideas that the hon. Lady and I have put forward in the past. It only remains for me to thank her once again for raising these important matters tonight.

Question put and agreed to.

9.8 pm

House adjourned.

House of Commons

Thursday 14 October 2010

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

BUSINESS, INNOVATION AND SKILLS

The Secretary of State was asked—

Adult and Community Learning

1. **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): What plans he has for the future of adult and community learning; and if he will make a statement. [17252]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): Adult and community learning make a vital contribution to building a big society founded on social mobility, social justice and social cohesion. We will strive to reinvigorate adult and community learning to make it part of the wider learning continuum and to enable providers to respond to the learning needs of their communities.

Eric Ollerenshaw: I thank my hon. Friend for that answer. Has he managed to see research from the National Institute of Adult Continuing Education that demonstrates that 28% of adult learners show an increased involvement in social, community and volunteering activity as a direct result of their learning? Does he agree that that demonstrates the vital role that adult education will have to play in contributing to the big society?

Mr Hayes: Yes, indeed. As it happens, I have with me the response to the study that he describes. The transformative power of adult learning is well understood by this Government. We know that adult learning changes lives by changing life chances. It gives some of the most disadvantaged people in our community their chance to gain learning. It is frequently progressive to further learning and takes them to the world of work. This Government unequivocally back adult learning.

Keith Vaz (Leicester East) (Lab): In our multicultural big society, which is being created, what specific help will there be for those who do not have English as a first language to help them acquire these skills?

Mr Hayes: It is absolutely right—in the spirit in which I have answered the earlier question—that we should consider the particular needs of communities in the way that the right hon. Gentleman makes clear. Language is critical—it is critical in building the social cohesion that I described. The chances for people in settled communities without a grasp of English to acquire that grasp are essential if they are going to learn and work.

Mr David Ruffley (Bury St Edmunds) (Con): Evidence from the excellent West Suffolk college in my constituency suggests that those who participate in adult learning increase their activity in the third sector. Given the necessary constraint on public spending, would the Minister perhaps give us a clue as to whether he is going to encourage more co-payment of fees?

Mr Hayes: Any clues offered on that subject would do me no good at all. It would be entirely inappropriate to prejudge the discussions on the comprehensive spending review. May I just say how welcome it is to see my hon. Friend in the Chamber today?

Adult Education

2. **Mr Virendra Sharma** (Ealing, Southall) (Lab): What assessment he has made of the likely effects on development of small businesses of reductions in spending on adult education. [17253]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): The hon. Gentleman will be aware that the results of the spending review will not be announced until next week. However, a key consideration has been how we best ensure the skills of our nation are improved. I can also assure him that we have modelled the impact of our proposals on businesses and individuals. Skills are crucial to delivering growth and will play a key role in our agenda.

Mr Virendra Sharma: I thank the Minister for that answer. Does he agree that adult education provides essential work skills for some of my most vulnerable constituents and that 40% reductions in spending on adult education will hit those constituents, and consequently small businesses, hardest—when they are both vital in providing economic growth to tackle the deficit?

Mr Hayes: The hon. Gentleman is right that small businesses form the backbone of our economy, and it is our job to ensure that they get the support they need. An advanced economy needs advanced skills, and backing business and providing growth means investing in skills. As I have said, he would not expect me to prejudge the CSR, but he can be assured that the team on the Front Bench fully appreciates the power and value of skills.

Mrs Anne Main (St Albans) (Con): Will the Minister tell me whether his Department has made any progress on the skills needed for small businesses such as those in the curry industry and whether there has been any progress on trying to develop additional learning skills for that industry?

Mr Hayes: As my hon. Friend knows, because we have discussed the matter—by the way, I pay tribute to her work in that field—just this week I met my counterpart from Bangladesh to discuss the matter. *[Interruption.]* Sadly, we were not sharing a samosa at the time. I have asked my hon. Friend to make representations to the Department to talk about her work with that industry to deliver the skills that that industry needs.

Tuition Fees

3. **Mr Charles Kennedy** (Ross, Skye and Lochaber) (LD): What plans he has for the future level of the cap on tuition fees which may be levied by universities; and if he will make a statement. [17254]

The Secretary of State for Business, Innovation and Skills (Vince Cable): We welcome Lord Browne's independent report on higher education, which makes recommendations about the structure and level of graduate contributions. We are looking at his proposals carefully and considering a contribution level of £7,000.

Mr Kennedy: My right hon. Friend knows the reasons, which are well documented, why I cannot support the thrust and direction of Government policy on this one. Given the inevitable, and indeed immediate, ramifications of any policy change for the tertiary sector in England on Russell group universities in Scotland, is he willing between now and next May to enter into open-minded discussions with all the political parties in Scotland to see whether a modus vivendi can none the less be achieved to maintain some of the principles for which we have argued long and hard where Scottish tertiary sector education is concerned?

Vince Cable: That is a constructive suggestion. I am happy to do exactly what my right hon. Friend has said. To reinforce the point, yesterday the principal—the vice-chancellor equivalent—of Glasgow university, where I know my right hon. Friend is a rector and with which I have an association, said in relation to the growing funding crisis in Scottish universities:

"I believe we need to adopt a graduate contribution model that is properly designed, progressive and one which requires those who earn more during their lifetime to pay back more to society in order to fund higher education."

That is exactly what we are doing.

Mr John Denham (Southampton, Itchen) (Lab): On Tuesday, the Social Market Foundation published an analysis of how the Business Secretary's £7,000 a year minimum fee will hit different graduates. It shows that the hardest hit will be graduates who earn £27,000 a year, while students who get help from the bank of mum and dad to pay off early will get a £12,000 discount on the cost of their degree. Is that fair?

Vince Cable: It would not be fair, if that were the outcome. That particular analysis does not properly consider the true present value of the payments that people will have to make. There has been some excellent research on the operation of different interest rates in order to produce a genuinely fair and progressive outcome, which Government Members want and which I hope the right hon. Gentleman still wants.

Mr Denham: When my building society starts asking me to pay my mortgage in net present value, I will do so. Until then, I will talk pounds and pence like everybody else.

Does the Business Secretary recognise that if he allows universities such as Oxford and Cambridge to charge £10,000 or £12,000 a year, the gap between the few and the many will get wider? The Higher Education Minister has said that it is not possible to stop people paying their fees up front. Will that not create the unfair situation in which those born into privilege, such as the Prime Minister and the Chancellor of the Exchequer to pick two at random, can get a huge discount for paying up front, while the bright child from a poor background who makes it to Oxford or Cambridge will pay even more? How is that fair?

Vince Cable: We are anxious to ensure a fairer solution than the existing graduate contribution system that we inherited. The right hon. Gentleman has used the analogy of mortgage payments, which is interesting. No building society or bank that I am aware of would exempt people from any payments until they were earning £21,000 a year, which is the progressive element that we are trying to introduce. He has rightly referred to the difficulties that would arise if certain Russell group institutions were allowed to charge very large variable contributions. That is why I made no commitment on Tuesday on how we would deal with that problem, on which we need to reflect further. He is right that there is an issue of fairness, which we will address.

Lorely Burt (Solihull) (LD): Will my right hon. Friend do all that he can to stop higher education from disintegrating into a free market free-for-all, either by imposing a cap or by requiring a high proportion of additional fees levied by some of the top universities to be paid out in bursaries to poorer students?

Vince Cable: Yes, my hon. Friend is quite right; there has to be choice and there will be some competition among universities, which is welcome. That is very far short of a laissez-faire free market. We do not want that. There has to be protection for low-income students when they graduate. We will build in those protections and will ensure that there is a proper progressive scheme.

Local Enterprise Partnerships

4. **John Woodcock** (Barrow and Furness) (Lab/Co-op): What steps he plans to take to ensure that businesses in deprived areas receive support through local enterprise partnerships. [17255]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): First, I congratulate the hon. Gentleman on his promotion to the Opposition Front Bench as a shadow Transport Minister.

Local enterprise partnerships will be a vital element in our new framework for economic development. At the same time, we are planning to modernise business support to improve both access to information and the quality of advice. That will be especially important to firms in remote or deprived areas.

John Woodcock: I thank the Minister for that answer and for his kind words. Does he accept that the recovery is currently very fragile? What interim measures will he put in place while the regional growth fund is being established and will he commit to funding the vital marina project in my constituency?

Mr Prisk: The hon. Gentleman has astutely got on to the record his local project and I commend him for that, but he will understand that a week before the comprehensive

spending review I am not going to pre-empt such matters. I will say, however, that the combination of making sure that we have genuine economic development partnerships that are rooted in the communities and ensuring that they are a genuine partnership between business and civic leaders will enable local areas such as Barrow and Furness to set their own priorities and not have Whitehall telling them what they should do.

Laura Sandys (South Thanet) (Con): Although South Thanet is in one of the richest regions in the south-east, it is the 64th-most deprived district in the country. Does the Minister agree that LEPs must be there to support the most deprived districts even within richer regions?

Mr Prisk: One of the great advantages of moving away from the one-size-fits-all general regional development agencies is that local enterprise partnerships can respond to local needs. I know that my hon. Friend, who fights her corner for her constituents well, will make sure that that happens.

Mr Gordon Marsden (Blackpool South) (Lab): Yesterday, PricewaterhouseCoopers warned of half a million lost private sector jobs with the Government's scrapping of schools, hospitals and road contracts. Meanwhile, Ministers from the Departments for Business, Innovation and Skills and for Communities and Local Government continue squabbling about what local enterprise partnerships can do, blocking resources that the private sector says it needs now. Why should businesses believe that the Minister and his colleagues have any plan for local growth or jobs when they are in such a shambles and chaos over LEPs?

Mr Prisk: We have inherited a situation in which the funds have run out, as the Labour party has said. That is why we are focusing on the things that really matter—tackling the public deficit to keep interest rates lower for longer, making sure that small businesses see their corporation tax go down and tackling red tape. The Labour party failed to deal with all that, but we will.

Apprenticeships

5. **Gordon Birtwistle** (Burnley) (LD): How many apprenticeship places his Department plans to fund in 2010-11. [17256]

6. **Andrew Stephenson** (Pendle) (Con): How many apprenticeship places his Department plans to fund in 2010-11. [17257]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): Just days after taking office we announced—

Mr Speaker: Order. It is always a terrible pain to have to interrupt the mellifluous tones of the Minister, but I think he meant to make it clear that questions five and six are grouped together.

Mr Hayes: I am always grateful for your benevolence and advice on these matters, Mr Speaker.

Days after taking office we announced an additional 50,000 apprenticeships over the financial year, taking the total to be delivered this year to well over 300,000 places—a record for the apprenticeship programme. The National Apprenticeship Service has assured me that we are on track to deliver on this commitment.

Gordon Birtwistle: I am particularly pleased to hear of the efforts being made to fund more apprenticeships and I thank the Minister for his involvement in securing this scheme. However, I am concerned that many businesses in my constituency who want to take on more apprentices are struggling with access, support and advice. Has the Minister, or the agency responsible for the scheme, made any advertising plans to broaden participation in this excellent scheme?

Mr Hayes: Yes; we appreciate the hon. Gentleman's point. I have asked my officials to look closely at these matters. We appreciate that some of the supply-side barriers to small businesses, in particular, getting involved in apprenticeships need to be lifted. We know that to rebuild the apprenticeship programme after the sorry state it was left in by the previous regime—I do not want to be unnecessarily unkind, but I emphasise the word "unnecessarily"—we will have to do a lot of work to involve more businesses to satisfy our demands and learner wishes.

Andrew Stephenson: I thank the Minister for the answer that he has just given my hon. Friend the Member for Burnley (Gordon Birtwistle). How will the Minister ensure that apprenticeship schemes are made available to all people, not just young people?

Mr Hayes: My hon. Friend is right that we need to consider closely not just the apprenticeships that are available to people as they leave school or college, but those for people who want to reskill or upskill. Lord Leitch, in a report that the previous Administration commissioned, made it clear that that is vital because of the demographics, the challenges that we face and the competitive pressures from those countries that have invested in apprenticeships. We will certainly take his remarks on board.

Mr Russell Brown (Dumfries and Galloway) (Lab): What preliminary discussions has the Department had with private sector employers who are about to provide those many hundreds, if not thousands, of apprenticeships? Does the Department have a target or time scale for delivering them?

Mr Hayes: I do not want to be repetitive, Mr Speaker, and you would not let be so, but I make it absolutely clear that almost as soon as we entered government we transferred an additional £150 million into the apprenticeship budget to create extra apprenticeships. Yes, of course, I am working with businesses, small and large, to make that dream—that vision—a reality. Indeed, we held a consultation on that over the summer, which I know the hon. Gentleman will have studied closely.

Science and Innovation

7. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What steps he is taking to ensure that Britain's science and innovation sector contributes to economic growth. [17258]

The Minister for Universities and Science (Mr David Willetts): Science and innovation are critical to our future prosperity and strongly supported by this Government. As part of the spending review, we are continuing to strengthen the way we support science and innovation, and improving the way they contribute to economic growth.

Stephen Metcalfe: I thank my right hon. Friend for his answer. I am sure that we all agree that the Government have a very important role to play in supporting science and innovation, but there are many other organisations and businesses that need to come together to support more scientific research. What steps can his Department take to foster the big society approach to more research and development?

Mr Willetts: In Britain we are very fortunate to have some very substantial charities that support scientific research, especially medical research, such as the Wellcome Trust and Cancer Research UK. Indeed, only this week I was able to announce a £50 million joint project on tumour profiling to improve cancer treatment between the Medical Research Council and Cancer Research UK.

Mr David Lammy (Tottenham) (Lab): The Minister will be aware that knowledge transfer partnerships mean that the Russell group universities contribute £2 billion to British exports. Is he surprised, therefore, that Lord Browne dedicated just 300 words in a 30,000-word report to the employer contribution? Will the Minister say more than his colleagues have about the contribution that employers will make to higher education funding?

Mr Willetts: It is good to see the right hon. Gentleman in the House, and I look back to our exchanges when he was a Minister with responsibilities in this area. Of course, when he was a Minister in the Department, he was one of the people who commissioned Lord Browne's review and agreed its terms of reference. I very much regret that in his first intervention on the review, he has not welcomed the fact that Lord Browne discharged the remit that he was set. It is very important that businesses contribute, alongside individuals and the taxpayer, and we are pursuing that as part of the CSR.

Alun Cairns (Vale of Glamorgan) (Con): Does the Minister accept that the performance of higher education in engaging with the private sector varies considerably? Will he consider making the handing out of research grants conditional on institutions finding private sector partners?

Mr Willetts: That is a very important point, and we certainly welcome business backing for research, alongside public funding. There is very important evidence that public funding for research can be complemented by business backing. If I recall correctly, one of the best pieces of evidence on the subject is a research paper where one of the authors is now an official in Her Majesty's Treasury, so it is a document that we particularly value.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): In mid-September, apparently preparing the way for big cuts in the science and research budget, the Secretary of State managed to insult hundreds of hard-working British scientists by implying on the "Today" programme that

"something in the order of 45 per cent of…research grants…were going…to research that was not…excellent".

As the US, France, Germany and China are increasing their investment in science and research to drive economic growth, is not this just one more reason why those who thought we had the Sage of Westminster and Two Brains running the ship are finding that we actually have Arthur Daley and the rest of the cast of "Minder" running the sails?

Mr Willetts: The countries that the hon. Gentleman cites—incidentally, I welcome him to his new position on the Front Bench—do not have the mess in the public finances that we inherited as a result of the performance of his Government. None of them is borrowing at the high level that we inherited, yet despite that, we remain strongly committed to science and excellent research in our universities.

Small Business Finance

8. **James Morris** (Halesowen and Rowley Regis) (Con): What recent representations he has received on access to finance for small businesses. [17260]

9. **Jake Berry** (Rossendale and Darwen) (Con): What recent representations he has received on access to finance for small businesses. [17261]

15. **Jason McCartney** (Colne Valley) (Con): What recent representations he has received on access to finance for small businesses. [17270]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): The Government believe that improving access to finance is vital for small businesses. In response to our formal consultation on access to credit, we received more than 170 representations, and we will respond to them shortly. In addition, yesterday the British Bankers Association published its taskforce report on business lending, which has 17 separate recommendations. The Government welcome the progress made by the taskforce to date.

James Morris: I thank the Minister for his answer. Many small businesses in my constituency and in the broader black country are still complaining about their inability to get capital to grow their businesses. Does he agree that this is now becoming a vital issue? Will he outline the steps that the Government are going to take to ensure that we get that capital into those businesses, which are absolutely vital to the future of the region and the areas that I represent in generating private sector jobs growth?

Mr Prisk: My hon. Friend is absolutely right. That is why, right away, within a month, we extended the enterprise finance guarantee by £200 million to help up to 2,000 more businesses. More than that, we have been actively pressing the banks to sort out the lending code, to deal with information so that it is more transparent, and to ensure that businesses have the opportunity to appeal. Yesterday, the taskforce reported back, and we will study its proposals. Let me make it clear, however, that as far as this Government are concerned, the real test now will be for the banks' words to be matched by their actions.

Jake Berry: Small businesses in my constituency, which includes some of this country's leading manufacturers, are reliant on credit insurance. What steps are being taken to ensure that such insurance remains available to them?

Mr Prisk: My hon. Friend is right to raise that issue, which he has discussed with me in the past. This is a particularly acute problem for those in the construction sector. We have sought assurances from the principal insurers in this area that they have now put in place for the coming year a sufficient risk capability, and they have given us those assurances. As with the banks, we will be closely scrutinising this to ensure that what they have said they have done is implemented in the coming months.

Jason McCartney: I echo my hon. Friends in pointing out that one of the biggest issues that I am facing in my constituency is the lack of lending to small and medium-sized businesses. In addition, Lloyds TSB has announced in the past month that it is closing the only branch in a market town called Meltham. In stressing to the banks that they need to get lending, will the Minister also stress that they need to start serving our communities?

Mr Prisk: This is something that we have raised with the banks. On Monday, however, I want to go further—that is when we will convene our new small business economic forum with the express intention of bringing Government, businesses and the banks together so that we can deal with these issues and start to ensure that credit is available for all businesses, large and small.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): The Secretary of State has rightly commented on the obligations of state-supported banks to do more to help our small businesses in the interests of the national economy. Will the Minister tell us whether the new growth fund set up by the banking taskforce and announced yesterday will have on its board a Government representative in order to influence policy decisions?

Mr Prisk: We met the banks yesterday and are perfectly willing to engage with them on how that could happen. We may well wish to ensure that the Government have a stake in that role, but as we received the recommendations just yesterday, I am sure the hon. Gentleman and the Committee that he chairs will understand that we want to examine them more closely. The new growth fund is a positive step which will deal with the gap that Rowlands identified in the case of mid-cap businesses. It is a welcome step, and the Government want to work with the banks to make it work effectively.

Andrew Gwynne (Denton and Reddish) (Lab): But does the Minister agree with the Deputy Prime Minister, who said on 27 April on Radio 5 Live about state-owned banks not lending enough to small businesses:

> "What we're saying is that the directors of those banks should be held responsible and if they fail to honour those lending targets they should be sacked"?

Mr Prisk: I have learned to make a habit of always agreeing with the Deputy Prime Minister.

Gordon Banks (Ochil and South Perthshire) (Lab): I do not believe that the Minister is really focusing his attention on the question. By his own Department's definition, small enterprises are those with zero to 49 employees, and they have an average turnover of less than £3 million. How will the new business growth fund proposed yesterday by the British Bankers Association help those businesses, given that businesses will have to have a turnover of between £10 million and £100 million to apply and the average turnover of a small business is £3 million?

Mr Prisk: May I first welcome the hon. Gentleman to his position? Unfortunately, however, his first question confuses two matters. The growth fund is about investing equity into mid-cap businesses, as I described to the hon. Member for West Bromwich West (Mr Bailey). Micro-businesses, which are very important, are an entirely different animal. That is where bank lending is crucial, and that is what we are dealing with. We are particularly keen to ensure that there is a proper lending arrangement for micro-businesses, and we are talking to the banks about how we can get one, but Members should not confuse capital investment and bank lending. They are two different things.

Grocery Supply Code of Practice

10. **Andrew George** (St Ives) (LD): When he intends to introduce an ombudsman to enforce the grocery supply code of practice. [17264]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): May I begin by recognising how long and hard my hon. Friend has campaigned on this issue, and indeed how successful he has been? He will know that the coalition statement commits the Government to introducing what we are now calling a groceries code adjudicator, and in our response to the consultation on 3 August, we set out how we would take that forward. I am pleased to be able to tell him that we now have approval to introduce a draft Bill this Session, and that the aim is to publish it for pre-legislative scrutiny before the end of the year.

Andrew George: I am very grateful to the Minister. The long-awaited code is now in place, but without an adjudicator it is like having rules for rugby without a referee. As the initiative has cross-party support and we have an extended Session, is it not possible to implement it this Session?

Mr Davey: I very much hope that my hon. Friend will engage in the pre-legislative scrutiny of the draft Bill as actively as he did in campaigning for the code. As we have not even published the draft Bill yet, it is a little early to say when the actual Bill will be introduced or whether that will be this Session or next, but I will keep him and the House informed.

Non-Departmental Public Bodies

11. **Jesse Norman** (Hereford and South Herefordshire) (Con): What progress he has made in reducing the number of non-departmental public bodies and executive agencies sponsored by his Department, with particular reference to bodies responsible for further and higher education. [17265]

The Secretary of State for Business, Innovation and Skills (Vince Cable): We are taking radical steps to reform the network of bodies sponsored by my Department. We announced this morning that we would abolish 17 partner organisations, merge eight, reconstitute two as charities and give further consideration to the future of nine more.

Jesse Norman: I thank the Secretary of State for that excellent response. Hereford college of technology is an outstanding institution, and I would welcome his visiting it if he should choose to do so at some time. Like many colleges, it labours under regulation by five separate bodies covering both further and higher education. Is there further scope to streamline the regulation of bodies covering such combined institutions?

Vince Cable: Yes, there is further scope to simplify the landscape of further education quangos, and we intend to pursue that. There are far too many organisations, making it impossible for further education colleges to do their job, and we will remove some and simplify the whole system greatly.

Chris Leslie (Nottingham East) (Lab/Co-op): Has the Secretary of State also done a U-turn on his views of Sir Philip Green, who gave advice about non-departmental public bodies? Once upon a time he said, talking about Sir Philip Green, that he had

"no time for billionaire tax dodgers who step off the plane from their tax havens...and have the effrontery to tell us how to...run our tax policies".

Has he changed his mind on that as well?

Mr Speaker: Order. We do not need a character assessment of Sir Philip Green, what we require is comments on the subject matter of the question. The Secretary of State is welcome to volunteer them, otherwise we will move on.

Vince Cable: I am certainly happy to answer. I have not changed my views—I think Sir Philip Green should pay his taxes in the UK.

Green Investment Bank

12. **Simon Hughes** (Bermondsey and Old Southwark) (LD): What recent progress he has made on the creation of a green investment bank. [17266]

The Secretary of State for Business, Innovation and Skills (Vince Cable): We remain committed to creating a green investment bank that will support the growth, industrial transformation and greening of the UK economy. Over the summer, we made good progress on the role and form of the bank and its relationship with other Government policies. I will make a statement on the bank shortly after the spending review.

Simon Hughes: I am grateful to my right hon. Friend. May I encourage him, in the remaining days before the final settlement of Government spending is reached, to ensure that a green investment bank has sufficient funds to make it a real agent for change towards a sustainable economy as well as the ability to lever in the maximum additional investment, and to follow the best models in other countries and among those proposed to the Government? This is a real test of the Government's green credentials, and I hope he fights that case to the wire.

Vince Cable: I accept that the test my hon. Friend sets is a good test of the Government's green credentials. The bank must be ambitious and it must lever in substantial amounts of private capital. We must not be excessively constrained and must open up the possibility of subsequent expansion. I am sure we will give him a satisfactory answer.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the right hon. Gentleman agree that if a green investment bank is to be successful, it must embrace all the science and technology available in our country? Much of that is seated in our great universities—we have over 120—but has he not already sold the pass? There will be substantial cuts in university budgets, which will affect towns, cities and innovation in this country.

Mr Speaker: Order. Can we focus on the green investment bank?

Vince Cable: You are right, Mr Speaker, that we have strayed a little.

The hon. Gentleman chaired the Select Committee on Children, Schools and Families for many years, so I am sure he knows that in my statement on Tuesday, I spoke about the implication of the teaching grant for student-graduate contributions. The implications for research remain to be seen till next week.

George Freeman (Mid Norfolk) (Con): Does the Secretary of State agree that the green investment bank is a key part of the important task of shifting our low-carbon policy from one that is based on restriction, targets and negative regulation to one based on enterprise, innovation, science and community? Crucially, does he also agree that the bank must be able to issue bonds? Will he make representations to the Treasury to ensure that its ability to do so is established in the legislation?

Vince Cable: At this stage, we are not specifying the precise financial techniques that will be employed, but clearly, we will retain options and look at the variety of possibilities in future. Moreover, I would stress that the green investment bank is one of several policies that is driving the low-carbon economy, which also include reform of the electricity tariff system, the green deal and those that my right hon. Friend the Secretary of State for Energy and Climate Change is pursuing.

Royal Mail (Yorkshire and North East)

13. **Hugh Bayley** (York Central) (Lab): What consultation Royal Mail plans to undertake with businesses and the public on proposals to close sorting offices in Yorkshire and the North East. [17267]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): Decisions regarding the rationalisation of Royal Mail's mail centres are operational matters, which are the responsibility of the company's senior management team. The Government are not directly involved in those decisions. The rationalisation process was centred on an agreement between the Communication Workers Union and Royal Mail. I understand that Royal Mail is not obliged to consult publicly on its internal review of proposals for restructuring its mail centres. However, it commits to

keep all interested external stakeholders informed, and I believe that it has been in contact with the hon. Gentleman.

Hugh Bayley: The hon. Gentleman and the Government should be concerned about how the Post Office and Royal Mail serve their customers. Two years ago, when Royal Mail shifted the sorting of second-class mail from York to Leeds, it gave me a firm undertaking that it would consult the public if ever it considered shifting the sorting of first-class mail as well, and closing the York sorting office. That is what the company now proposes, but it has not consulted. Will the Minister ensure that the company consults businesses that will be affected and the general public in my constituency, or does the Government's enthusiasm for privatising Royal Mail put them in a position in which they are no longer concerned about the customer?

Mr Davey: I am sure that Royal Mail will again be in contact with the hon. Gentleman on those points, but he must tell his constituents that the experience of rationalising mail sorting centres has led not only to efficiency improvements that reduce the costs of sorting and delivering mail, but to an improvement in customer service to his constituents. If he wants quality and delivery to improve for his constituents, he should support that rationalisation.

Julian Smith (Skipton and Ripon) (Con): May I urge the Minister to consult carefully with the remote businesses and communities of the Yorkshire dales which rely hugely on the Royal Mail to survive and conduct their business?

Mr Davey: My hon. Friend is right that the Royal Mail needs to consider the interests of small and medium enterprises. Indeed, it is part of our approach in the Postal Services Bill to ensure that our new policy framework will do that. I hope that he will be reassured that experience of rationalising mail sorting centres has led to significant improvements to customer service.

Nia Griffith (Llanelli) (Lab): Can the Minister explain what guarantees he will give that a privatised Royal Mail service will continue to do business through the Post Office rather than looking for other outlets and perhaps leaving rural post offices in Yorkshire and elsewhere with very little hope of survival?

Mr Davey: May I begin by welcoming the hon. Lady to her new role? I look forward to many weeks in Committee considering the Bill. She will know that there is an agreement between Royal Mail and Post Office Ltd, called the inter-business agreement, and it is that agreement—not a Government guarantee—that decides that relationship. We expect and believe that that inter-business agreement will continue.

Business Regulation

14. **Mr Philip Hollobone** (Kettering) (Con): If he will take steps to ensure that his Department's one-in, one-out plan for business regulation will include new business regulations originating at EU level. [17269]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): This Government are determined to reverse the rise in regulation that is constricting enterprise and stifling growth. We have introduced the one-in, one-out system of regulatory control for domestic regulation, to bring about a fundamental change in the way that regulations are drawn up, introduced and implemented.

We will also take a rigorous approach to tackling EU regulations. The Government will engage earlier in the Brussels policy process; take strong cross-government negotiating lines; and work to end the so-called "gold-plating" of EU regulations, so that when European rules are implemented into UK law, it is done without putting British businesses at a competitive disadvantage.

Mr Hollobone: May I urge the Minister to include EU regulations in the one-in, one-out system, as I understand that compliance with EU regulations costs this country some 3% of its annual gross domestic product?

Mr Davey: May I reassure my hon. Friend that once the system is embedded with respect to domestic regulation affecting businesses and the third sector, the Government plan to extend it to other areas, including EU law?

Michael Connarty (Linlithgow and East Falkirk) (Lab): I note that the Minister did not address the question asked by the hon. Member for Kettering (Mr Hollobone). Is he not willing to tell Parliament the truth that in fact business regulations are part of the common market, which means that they cannot be vetoed by the Government? What is required is for the Government to stop the gold-plating that is done by the civil service when regulations come from Europe.

Mr Davey: The hon. Gentleman did not listen to either my first answer or my second answer. The Government are committed to ending gold-plating and I have said from this Dispatch Box that, once the one-in, one-out system is embedded, we will apply it to EU legislation.

Company Reporting (Operating and Financial Review)

16. **Roger Williams** (Brecon and Radnorshire) (LD): What progress has been made towards reinstating an operating and financial review to ensure that directors' social and environmental duties have to be covered in company reporting; and if he will make a statement. [17271]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): The Department is currently consulting on the future of narrative reporting which addresses the coalition commitment to reinstate an operating and financial review. The consultation closes on 19 October and we will then consider the responses and take a view on how to take this commitment forward by the end of the year.

Roger Williams: I thank the Minister for that reply and his active interest in this matter. I believe that this coalition Government will be the greenest Government ever, but we need to promote sustainable investment. The OFR will have a key role to play in that, especially

in ensuring that the same standards apply for independent verification and financial reporting. Can the Minister assure me that the Government will support that?

Mr Davey: This Government will be the greenest Government ever, and when my hon. Friend reads the consultation document he will see that we have some very interesting ideas about how to improve the way in which companies report on social and environmental matters. I hope that we will be able to drive up the quality of reporting and disclosures by companies in that area.

Graduate Employability

17. **Nigel Mills** (Amber Valley) (Con): What steps he is taking to encourage universities to focus on the employability of graduates. [17273]

The Minister for Universities and Science (Mr David Willetts): Students rightly expect better information about their chances of a job after studying different courses at different universities, and universities need to do more to improve the employability of their graduates. That is why I have asked universities to publish statements on what they do for students' employment prospects. The vast majority have now done so.

Nigel Mills: I thank the Minister for that answer. Does he agree that a key method of achieving increased employability are schemes such as those set up by David Nieper, a full service clothing manufacturer in Alfreton in my constituency? It has agreed a scheme with Nottingham Trent university that will ensure that students get a full range of experience and skills in the textiles sector to increase their chances of employment after they finish their course.

Mr Willetts: I agree with my hon. Friend. Indeed, one of the proposals in Lord Browne's report that we are looking at very carefully is to do more to encourage the accreditation of skills developed in businesses and the workplace as part of a degree qualification.

Small Business Finance

18. **Chris Evans** (Islwyn) (Lab/Co-op): What recent representations he has received on access to finance for small businesses. [17274]

19. **Mr John Baron** (Basildon and Billericay) (Con): What recent representations he has received on access to finance for small businesses. [17275]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I refer the hon. Gentlemen to the answer I gave to a similar question earlier.

Chris Evans: Atega Business Solutions, a new business start-up based in my constituency, tells me that part funding is available to it, but that in most cases it has to spend 100% of the cost before it is eligible to claim back 50%, which deters it from applying. What advice would the Minister give to Atega to secure funding when money is tight?

Mr Prisk: It is important that businesses not only press their own bank, but shop around, because there tends to be an anxiety that, having been turned down by one bank, they will not be successful elsewhere—I remember that when I started my own business in the last recession. It is also important, if the hon. Gentleman can, to press that case on his constituents' behalf with the British Bankers Association. If he does so, would he copy me in? If his constituents continue to have problems, I would like to ensure that the banks understand that we take an interest in the plight and prospects of our small businesses.

Mr Baron: The measures introduced by the coalition Government to help small businesses have been a vast improvement on what went before under the previous Government. However, in the specific cases bought to the Department's attention by Members of Parliament in which commercially viable small and medium-sized enterprises are still being denied access to capital, can I have the Minister's assurance that the Department will do everything it can to help?

Mr Prisk: We can and we will, and I will be happy to support any Member who wants to press that case. This is a very important issue, and it should be cross party. We can make a difference.

Topical Questions

T1. [17277] **Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Innovation and Skills (Vince Cable): My Department's responsibilities include helping to drive growth and rebalance the economy, which we can do by building on the strength of manufacturing, other knowledge industries and the science and research base, by helping businesses to grow by getting rid of excessive regulation and helping them access credit, by being open to trade and foreign investment, by encouraging the development of a skilled work force and by spreading opportunities and life chances to as many people as possible.

Dr Poulter: Working in agriculture is still an important life choice for many people in rural areas, and I am sure that, like me, the Minister would like to see a profitable and vibrant agricultural sector. However, will he please outline what steps he will take to support vocational and apprenticeship schemes in the agricultural sector?

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): Like my hon. Friend, I care about growers and farmers, because of the constituency I represent and because I know the difference that they make to our nation. Mindful of the concerns he expressed, and of others like them, I have already asked officials to work with the sector skills council in this area to see what further apprenticeship programmes can be developed in agriculture and related subjects.

T4. [17280] **Alison Seabeck** (Plymouth, Moor View) (Lab): What action is the Minister taking, alongside his colleagues in the Department for Communities and Local Government, to prevent the regional economy of

the south-west from entering a slump because of the parochial disagreements in the region? Or are DCLG and businesses unable to agree, in the same way that the Conservatives and Liberal Democrats seem unable to agree in the south-west?

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I will ignore the flim-flam at the end. What matters to the hon. Lady is ensuring an effective partnership in her area. There is squabbling in Somerset and Devon, which the people concerned have to sort out. If they do not, they will fall behind. That is the message for them, and I hope she will support me on that.

T2. [17278] **John Glen** (Salisbury) (Con): Odstock Medical Ltd in my constituency was the first commercial entity to be set up under the NHS. It does vital work developing medical devices alleviating the condition of people with multiple sclerosis. Unfortunately, it is unable to access the SME support from the Department. Given that its major shareholder is the local hospital, will the Minister meet me to discuss how it can be reclassified as an SME so that it can access that support and grow its business, which does vital work?

Mr Prisk: This is a peculiar glitch in the way the law works, and I would be pleased to meet my hon. Friend and the business in his constituency to see whether we can wrinkle it out.

T5. [17281] **Roberta Blackman-Woods** (City of Durham) (Lab): Can the Minister explain what he will do to ensure that our universities stay at the leading edge of research and innovation? That is especially important as, for many universities, the Browne proposals will mean only replacement income, not growth and investment money, despite the quite disgraceful hike in tuition fees proposed.

The Minister for Universities and Science (Mr David Willetts): The package proposed by Lord Browne as a whole is intended to put our universities on a stable and secure long-term funding basis that will enable us to support and encourage their work in research, and we are considering carefully the new proposals from Sir James Dyson for technology innovation centres.

T3. [17279] **Philip Davies** (Shipley) (Con): Further to the excellent question from my hon. Friend the Member for Kettering (Mr Hollobone), given the volume of regulation that comes from the EU, does the Minister accept that unless the one-in, one-out policy applies to EU regulation as well, it will have only a limited impact? I understand that the Minister said that the policy would apply to EU legislation in due course, but can he give us a time scale for that?

Mr Prisk: There are two steps. One is to ensure that the practice that we follow deals with the gold-plating, which has quite rightly been raised by Members on both sides of the House. That is our first step, but as my hon. Friend has pointed out—and as my hon. Friend the Under-Secretary of State, the hon. Member for Kingston and Surbiton (Mr Davey) pointed out in his answer earlier—we are ensuring that we deal with domestic legislation first. We will then ensure that we look to include EU legislation. *[Interruption.]* I love this coming from the Opposition, who allowed 14 new working regulations every working day. We are tackling regulation; they funked it.

T10. [17286] **John Mann** (Bassetlaw) (Lab): If the Business Secretary had been able to accept my invitation to open the world's most advanced plastics recycling factory in my constituency two weeks ago, he would have learnt that the decision to invest in this country was based on a £1 million grant from the regional development agency. How much will be available through such grants to attract other overseas businesses to invest in my constituency in the next three years?

Vince Cable: I am sorry that I did not have the opportunity to visit the hon. Gentleman's constituency. I will try to make up for that in future. We want to attract inward investment, but it was not at all clear that the best way of doing so was through the RDAs, which were duplicating each other's work. In key overseas countries, for example, there have often been several RDAs competing with each other, using public money in a completely unstructured and unhelpful way. We are going to resolve that.

T6. [17282] **Andrew Stephenson** (Pendle) (Con): In my constituency of Pendle, many graduates earn far less on average than those working in other parts of the country. Does my right hon. Friend welcome the Browne review's proposals to raise the threshold for fees repayment from £15,000 to £21,000?

Mr Willetts: My hon. Friend draws attention to an important feature of the Browne review, which is also one reason why the analysis by the Institute for Fiscal Studies suggested that the poorest 30% of students would be better off as a result of those proposals.

Valerie Vaz (Walsall South) (Lab): Can the Minister state whether he has received the petition from the Science is Vital group, which lobbied Parliament last Saturday, and also say whether he has listened to the group, and if not, why not?

Mr Willetts: I believe that the Science is Vital group is also presenting a petition today. I hope to meet the members of that campaign to discuss their commitment to science and to emphasise that this Government are committed to excellent science research.

T7. [17283] **Mr Mark Spencer** (Sherwood) (Con): The Minister will be aware of the thousands of companies that in the past have supplied Departments, an example of which is F. J. Bamkin in my constituency, which used to supply socks to the Ministry of Defence. Can he say what progress his Department has made in achieving the manifesto commitment to deliver

"25 per cent of government research and procurement contracts through SMEs"?

Mr Prisk: The key to changing the system is to ensure that we open up the contracts. That is why we have already started to publish those contracts online, so that every business, large or small, can see what is on offer. Then we need to remove the barriers that exist, which is why we are tackling things such as the repeated pre-qualifications that are necessary for the same work in

neighbouring areas. Removing those barriers, opening up the contracts—that is how we are going to hit the targets.

Lilian Greenwood (Nottingham South) (Lab): Yesterday I spoke to Dr Paul Greatrix, registrar of the university of Nottingham. He described the Government's immigration cap as wrong-headed and perverse, because it will hamper the free trade in ideas and prevent our world-class international university from recruiting the brightest and best minds to join its highly skilled research team. What will the Minister do to ensure that our university's excellent reputation is maintained?

Vince Cable: We very much believe in the free trade of ideas, and we want Britain to be open. We are looking at the moment at how we can reconcile this with the coalition's policy to maintain a cap on non-EU migration.

T8. [17284] **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): Cumbria university, which has one of its largest campuses in the Lancaster part of my constituency, has experienced a number of financial and managerial problems over the past few years. Can the Minister comment on the university's viability, given its new business plan?

Mr Willetts: I know that my hon. Friend has been closely involved with that university, as have other hon. Members. The Higher Education Funding Council for England advises me that, with the university's new management arrangements and its new plan, it will have a far better prospect for the future.

Mark Tami (Alyn and Deeside) (Lab): On Tuesday, Tata Steel announced its intention to close its Living Solutions business in Shotton, with the loss of some 180 jobs. This is a hammer blow to all those employees and their families, as well as to the local economy. Will the Secretary of State join me in pressing the company to reconsider its decision, and also look at the future of the whole modular construction business?

Vince Cable: I am always happy to meet Opposition Members who have local difficulties with local companies; I have already done so and I am happy to talk to the hon. Gentleman about this. I do not know the details of the case, and I have to say at the outset that we are not in a position to make available large amounts of public money, but if we can help in other ways, we will.

T9. [17285] **Jason McCartney** (Colne Valley) (Con): Will the Minister confirm his commitment to ensuring that the nation has the right kind of skills for a sustainable economic recovery by supporting ambitious young people and adults such as those studying at Kirklees college to improve their education and skills in further education?

Mr Hayes: Yes, I do indeed recognise the excellent work of our colleges. That is why we want to give them more freedom, more discretion and more power to respond to the needs of learners and local businesses. We have begun to do that during our time in government, and I should like to draw the House's attention to today's written statement, which goes further along those lines.

Mr Dennis Skinner (Bolsover) (Lab): Does the Secretary of State remember the Lib Dem halcyon days when he sat here on the Opposition side of the House opposing university top-up fees and walked through the same Lobby as me? He was also against the privatisation of Royal Mail, but we now know the price of a Liberal pledge: a seat on the Government Front Bench and a ministerial salary. What a price to pay.

Vince Cable: I have always enjoyed—*[Interruption.]*

Mr Speaker: Order. I want to hear the Secretary of State's reply.

Vince Cable: I have always enjoyed joining the hon. Gentleman in the Division Lobby, and I have done so on many occasions. I have also enjoyed his humour. If he had followed my writings as closely as he claims to have done, he would have realised that I was advocating the introduction of private capital into Royal Mail about six years ago.

Mr John Leech (Manchester, Withington) (LD): Research by the Institute for Fiscal Studies suggests that the poorest 30% of graduates would pay less than they do now if the Browne review were to be implemented. However, potential students do not automatically assume that they are going to be among the bottom 30%, so any increase in tuition fees would surely be a disincentive for them to apply to go to university, even if they would ultimately be better off.

Mr Willetts: We can see from the evidence that the introduction of fees by the previous Labour Government did not have the effect that many people in all parts of the House feared. In reality, we have seen an increase in the number of applications from students from poorer backgrounds, because they knew that they would not have to pay up-front fees. That key feature of the system would be maintained under Lord Browne's proposals.

Miss Anne Begg (Aberdeen South) (Lab): A lot of the businesses in my constituency are involved in the offshore oil and gas sector, which is a global business that depends on the movement of labour so that it can move its work force around the world. That business is seriously concerned about the cap on immigration, and I hope that the Secretary of State is having very detailed discussions with the Home Office to ensure that that business remains in the North sea and does not go elsewhere in the world.

Vince Cable: The hon. Lady is absolutely right. I have had many such representations, not only from that industry but from others. I have had discussions with the Home Secretary about this, and we are determined to keep Britain open for business and attracting the kind of companies that she has in her constituency.

Miss Anne McIntosh (Thirsk and Malton) (Con): Will the Business Secretary set out the timetable for the setting up of the local economic partnerships? Will he explain which umbrella body should be used to apply for European funding such as the rural development programme? Will he also guide us on the position on match funding going forward?

Mr Speaker: One answer to those three questions will suffice.

Mr Prisk: You are very kind, Mr Speaker. There will be a sub-regional White Paper in due course.

Ian Austin (Dudley North) (Lab): The deep-seated structural challenges facing the west midlands economy mean that our region has been hit harder by the downturn than anywhere else in the country, and the recovery will take longer, too. Is the Secretary of State prepared to meet a cross-party delegation of Members of Parliament from the west midlands and business leaders from the region so that we can discuss plans to bring new industries and new jobs to the region?

Vince Cable: I am happy to do that. In recent times, I have met Opposition Members from the west midlands who were concerned about the car industry and others who were concerned about ceramics. I am happy to meet the hon. Gentleman and his colleagues.

Duncan Hames (Chippenham) (LD): My right hon. Friend has asserted the Government's determination that graduate contributions should be linked to ability to pay. Will he therefore consider supplementing the Browne proposals with a less advantageous interest rate for the highest earners?

Mr Willetts: We are, of course, considering Lord Browne's proposals very carefully and in greater detail. One issue that we will certainly consider is the exact interest rate that should be applied.

Anas Sarwar (Glasgow Central) (Lab): What an incredible transformation the Business Secretary has made from a Labour councillor in Glasgow to a Tory front-man in Westminster, with every principle dropped at the first sniff of power. Will he please detail what consultation process took place with the National Union of Students before reaching his own conclusions on the Browne report?

Vince Cable: I fondly remember my days on the Glasgow city council, where we achieved much. I have met representatives from the National Union of Students on several occasions. We have consulted them and continue to do so. The NUS has some useful ideas, which will hopefully supplement our response to the Browne report. We shall continue to maintain a dialogue.

Several hon. Members *rose—*

Mr Speaker: Order. All good things come to an end, and there is heavy pressure on time today.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): On a point of order, Mr Speaker.

Mr Speaker: Order. The hon. Gentleman is an extremely experienced Member. He has now ratcheted up something in the region of 31 years in the House, so he knows that points of order come after statements.

Mr Sheerman: This is about the statement. There is no list with it. We were promised a list. We—

Mr Speaker: Order. The hon. Gentleman is a very dextrous parliamentarian. He will try to catch my eye during business questions and he will be able to wrap his various points into a beautifully textured question if he gets the opportunity.

Business of the House

11.32 am

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 18 October will be as follows:

MONDAY 18 OCTOBER—Proceedings on the Parliamentary Voting System and Constituencies Bill (Day 2).

TUESDAY 19 OCTOBER—My right hon. Friend the Prime Minister plans to make a statement on the strategic defence and security review, followed by proceedings on the Parliamentary Voting System and Constituencies Bill (Day 3).

WEDNESDAY 20 OCTOBER—My right hon. Friend the Chancellor of the Exchequer plans to make a statement on the comprehensive spending review, followed by proceedings on the Parliamentary Voting System and Constituencies Bill (Day 4).

THURSDAY 21 OCTOBER—Second Reading of the Local Government Bill [Lords].

FRIDAY 22 OCTOBER—Private Members' Bills.

The provisional business for the week commencing 25 October will include:

MONDAY 25 OCTOBER—Proceedings on the Parliamentary Voting System and -Constituencies Bill (Day 5).

TUESDAY 26 OCTOBER—Second Reading of the Savings Accounts and Health in Pregnancy Grant Bill.

WEDNESDAY 27 OCTOBER—Second Reading of the Postal Services Bill, followed by motion to approve a European document relating to economic policy co-ordination.

THURSDAY 28 OCTOBER—General debate on the comprehensive spending review.

I should also like to inform the House that the business in Westminster Hall for 28 October will be:

THURSDAY 28 OCTOBER—A debate on the internet and privacy.

Hilary Benn: I thank the Leader of the House for his statement. May I also welcome my hon. Friend the Member for Warrington North (Helen Jones) and pay tribute to my right hon. Friend the Member for Doncaster Central (Ms Winterton). The House will be pleased to know that she has moved one seat along on our Front Bench, as a reward.

Mr Speaker, you have been clear and consistent with Ministers in saying that they must make major policy announcements to this House. On 9 September, the Leader of the House assured us that the Government would adhere to the ministerial code in this respect. Over the weekend, however, the findings of Lord Browne's report on tuition fees were extensively leaked to the media, and this morning we heard the Minister for the Cabinet Office talking to the "Today" programme about the future of public bodies before talking to us. It seems that Mr Holmes and Dr Watson, as I understand the Leader of the House and his deputy were christened by my predecessor, have made no progress at all in dealing with this serial problem.

Following Tuesday's statement, will the Leader of the House find time for a debate on the Browne report, so that Liberal Democrat Members in particular—who, before the election, knowing about the deficit, signed solemn pledges to vote against lifting the cap on fees—can tell us whether they now intend to follow the Deputy Prime Minister and the Business Secretary in ripping up their pledges? I think that their constituents deserve an answer.

Will the right hon. Gentleman also find time for a debate on the decision to take child benefit away from so many middle-income families while leaving it in place for households earning nearly twice as much? It is unfair, it is unjust, and no credible explanation has been offered. We certainly heard none from the Prime Minister yesterday. Given the Prime Minister's inability to answer the Leader of the Opposition's perfectly straightforward question about the number of families who would be affected, will the Leader of the House ask him to do his homework, and place the information in the Library so that we can obtain the full facts and then have a debate? I am sure that that would be welcomed by the many members of the Cabinet who clearly had no idea that the decision had been made, because the Chancellor decided to tell the media before he told them. Should not the House show some compassion to those unfortunate individuals by giving them the chance denied by the occupant of No. 11 to tell us what they think about this terrible policy?

Earlier this year the Prime Minister said that the comprehensive spending review

"will affect our economy, our society—indeed our whole way of life...for years, perhaps decades, to come."

In the light of that, a single day's debate is wholly inadequate. Given the scale and extent of the cuts, the House must have the time that it needs to discuss the implications for the people whom we all represent. Will the Leader of the House provide that opportunity, and will he confirm that the House will have a chance to vote on the comprehensive spending review?

While the Leader of the House is thinking about his answer to that question, will he explain why he has not yet made time available for an Opposition day debate? Is it because he fears the holding of such a debate while all these bad decisions are being made? Can he also tell us why the Defence Secretary will not be making next week's statement on the strategic defence review? Is it because the Government are afraid of allowing that as well, given the Defence Secretary's well-publicised views?

Can the Leader of the House clear up the confusion about a statement on cold weather payments? On Monday the legislation was laid without the clause on higher-rate payments of £25 a week, and yesterday the Prime Minister refused to guarantee their future, saying that an announcement would be made next week. Today's Guardian quotes Government sources saying a whole load of contradictory things. When will this shambles come to an end, so that the people who rely on those payments can have the peace of mind that they deserve?

Finally, can the Leader of the House tell us what chance the House will have to discuss the work of the Independent Parliamentary Standards Authority in time to inform the current review, given the bureaucratic burden that it continues to place on all Members, and the cost of its operations to the taxpayer? Does he not agree that Members' time should really be spent holding the Government to account, rather than doing accounts?

Sir George Young: First, let me join the right hon. Member for Leeds Central (Hilary Benn) in paying tribute to the former shadow Leader of the House, the

right hon. Member for Doncaster Central (Ms Winterton). She brought a ray of sunshine into the Chamber at 11.30 every Thursday, which will now illuminate the dark recesses of the Whips Office. We wish her luck in her new disciplinary role of enforcing Opposition policies, the moment they have some.

I welcome the new shadow Leader of the House to his post. He has inherited from his father a deep affection for, and commitment to, the House of Commons, which will stand him in good stead in the job that he now does. We learnt from the excellent diaries of Chris Mullin that the right hon. Gentleman was once eyed as a contender to succeed Tony Blair as Prime Minister in 2005. The House will be disappointed that he did not throw his hat into the ring. There was a time when there was always a Benn on the ballot paper. I look forward to working with the right hon. Gentleman and his new deputy, the hon. Member for Warrington North (Helen Jones), in our efforts to strengthen the House.

Let me now deal with the points raised by the right hon. Gentleman. The Government are making four statements this week, including the one that is to follow the business statement. We have averaged 2.8 statements per week: we have been very forthcoming in making statements to the House.

The Browne report was Lord Browne's report; it was not the Government's report. The moment it was available, my right hon. Friend the Business Secretary came to the House and made a statement. I am sure the House will want to debate the report, and in addition to my Liberal Democrat friends clarifying their view, I hope that the Labour Opposition will explain exactly where they stand on student finance, because there is open warfare between the Leader of the Opposition and the shadow Home Secretary.

Our proposed child benefit changes are scheduled to be introduced in 2013, and there will be an opportunity to debate them. The right hon. Gentleman mentioned one injustice between two high-income households, but there is another injustice that he did not address: that between households on much lower incomes who are paying standard rate tax, and through that tax are subsidising the child benefit of higher rate payers. I thought the Labour party stood for the many, not the few.

I agree with the right hon. Gentleman that the comprehensive spending review is an important issue, which is why the Government have found time for a debate, notwithstanding the Wright report recommendations, which implied that debates on spending reviews should be secured by the Backbench Business Committee. I note what the right hon. Gentleman said about making time available for a second day of debate, and the Chairman of the Committee has no doubt also noted that bid.

The Opposition will get their full quota of Opposition days, and in view of the extended length of the current Session we would be happy to enter into a dialogue on how we might increase the quota to reflect that additional sitting time.

On cold weather payments, as my right hon. Friend the Prime Minister said yesterday, the statement about the rate will be made after the CSR. We are committed to making cold weather payments to those on low incomes when the weather demands it.

I would have thought that the right hon. Gentleman would welcome the fact that it is the Prime Minister who is to make the statement on the strategic defence review, instead of complaining about it. Could there be a subject of higher priority on which the Prime Minister might address the House?

On the question about IPSA, I am not sure that the Government would want to find time for that debate, but it is perfectly open to the Backbench Business Committee, which has a quota of approximately one day per week, to find time for such a debate if the issue is thought to be a priority.

Several hon. Members *rose—*

Mr Speaker: Order. A large number of hon. and right hon. Members are seeking to catch my eye. As colleagues will be aware, ordinarily I seek to ensure that all Members who wish to do so can participate, but I give notice that that is extremely unlikely today in view of the pressure on parliamentary time and the very important Back-Bench business that is to follow. I therefore merely reiterate my usual exhortation to Members to stick to single, short supplementary questions, and to the Leader of the House to demonstrate his typical pithiness in reply.

Mr Greg Knight (East Yorkshire) (Con): Why do we still have to go through the ridiculous ritual of putting our clocks back every autumn, thereby plunging the nation into darkness by mid-afternoon? Will the Leader of the House give an undertaking that the Government will not seek to talk out the private Member's Bill on this subject that is due to come before the House shortly? If he does as I ask, I suspect the only opponents will be a handful of Scots. If that is the case, should they not be told, "You've got your own Parliament. If you don't like it, go away and give yourselves your own time zone"?

Sir George Young: I am grateful to my right hon. Friend for that, and I note the suggestion of independence in respect of the time zone. If he looks at the record, he will find that my hon. Friend the Member for South Suffolk (Mr Yeo) introduced a private Member's Bill in, I think, the last Parliament, and if he looks at the *Hansard* account of its Second Reading debate he will find a speech that I made setting out my views. Notwithstanding that, when the current Bill's turn comes to be debated, my ministerial colleague who will be responding for the Government will make the Government's position clear, and I will pass on my right hon. Friend's strong views.

Siobhain McDonagh (Mitcham and Morden) (Lab): At the Commonwealth games closing ceremony in a few hours' time, Prince Edward will be sitting alongside the head of a regime accused of war crimes: President Rajapaksa of Sri Lanka. Will the Leader of the House allow a debate on whether the Commonwealth should be giving succour in that way to countries with such appalling human rights records, and on whether allowing a member of Britain's royal family to sit next to Sri Lanka's leader represents a change in Britain's foreign policy to one that puts trade considerations ahead of human rights?

Sir George Young: I am grateful to the hon. Lady for her question, and I understand the strength of feeling. I will draw her remarks to the attention of my right hon.

[Sir George Young]

Friend the Foreign Secretary and ask him to write to her with a response to the points that she has just raised.

Jo Swinson (East Dunbartonshire) (LD): The Leader of the House has given us the business until Thursday 28 October. The day after that, Friday 29 October, this House will be used for the second time for the UK Youth Parliament to hold a day of debate. I am sure that many hon. Members will be delighted to see that, as will I as a trustee of that organisation. I wonder whether this would be an appropriate time for this House to debate the important issue of how we can get more young people better involved in the political process, as that is something that everybody wants.

Sir George Young: I am grateful to my hon. Friend for drawing attention to the fact that the Youth Parliament will sit in this Chamber on that date, and my hon. Friend the Deputy Leader of the House will be representing the Government. If the sitting is anything like last year's, it will be a fantastic success. I agree with her on the importance of engaging young people in the political process. I think it would be worth while to have a debate, and she can either apply for one in Westminster Hall or catch the eye of the Chairman of the Backbench Business Committee at one of her Wednesday sittings.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the right hon. Gentleman aware that it is estimated that there will be 1,000 job losses in every university in this country if we have the predicted cuts in university budgets? Is it not about time we had a serious debate on this essential element of our prosperity in this country?

Sir George Young: The Government will be spending some £90 million on universities and student support this year. The hon. Gentleman will know that this was not a protected area for the outgoing Labour Government; they had pencilled in cuts of some 20% for that budget, and we need to bear that in mind. He will have to await the outcome of the comprehensive spending review to see the resources that we are making available to the universities in the next three years.[1]

Rehman Chishti (Gillingham and Rainham) (Con): Will the Leader of the House allow a debate on fire safety linked to building regulations and materials? According to the chief fire officer for Kent, it takes a matter of minutes from ignition to collapse, and the lives of fire officers and members of the public are thereby endangered.

Sir George Young: My hon. Friend raises an important issue about the safety of those in buildings. I shall draw his remarks to the attention of the Secretary of State for Communities and Local Government and see whether he can respond to the point that my hon. Friend has made.

Thomas Docherty (Dunfermline and West Fife) (Lab): Will the Leader of the House ask the Ministry of Defence when it plans to come to give a statement on the compensation payments for nuclear test veterans? We have now been waiting five months for this Government to get their proverbial finger out and make a decision.

1. *[Official Report, 2 November 2010, Vol. 517, c. 10MC.]*

Sir George Young: I am sorry if there has been any discourtesy in not making information available to the House. I will contact the Secretary of State for Defence today and see whether we can expedite an answer.

Jeremy Lefroy (Stafford) (Con): One of my constituents recently brought to my attention an extraordinary, but perfectly legal, tax avoidance scheme that shocked me as well as him. I am in favour of tax incentives for growth, but this particular scheme does nothing for growth. Given the welcome recent pronouncements on tax avoidance from the Treasury, will the Leader of the House consider having a debate where Members could highlight such schemes so that the Treasury could indeed make a bonfire of them?

Sir George Young: I am grateful to my hon. Friend for that question. The Government are committed to tackling tax avoidance and we welcome any debate on the subject. The best way to deal with such schemes is to bring them to the attention of my ministerial colleagues at the Treasury. The Government are making improvements to a scheme called DOTAS—Disclosure of Tax Avoidance Schemes—with which I am sure my hon. Friend is familiar, so that Her Majesty's Revenue and Customs receives better and earlier information about tax avoidance schemes.

Alex Cunningham (Stockton North) (Lab): I hope that the Leader of the House will be aware of the collapse of Crown Currency Exchange, which has left people across the country, including some of my constituents, hundreds or even thousands of pounds out of pocket. Will he encourage Ministers to investigate the collapse, and in particular the fact that the company continued to accept currency orders when it had already gone bust? Will he also allow time for a debate on such matters?

Sir George Young: In common with many other Members of the House, I too have constituents who have lost money through Crown Currency Exchange. As the hon. Gentleman knows, the Financial Services Authority does not regulate retail foreign exchange services, so it did not regulate in any way the business of Crown Currency Exchange. The business model was exceptional and involved taking forward risks. I shall certainly draw his remarks to the attention of my colleagues in the Treasury to see whether there is any further legislative action that the Government might take.

Mr Stewart Jackson (Peterborough) (Con): The House will know of the wholly wrong-headed proposals made by the Sentencing Guidelines Council for a reduction in sentences for violent crime. Given that today we are examining the abolition of a number of out-of-touch and superfluous quangos, may I add the Sentencing Guidelines Council to that list?

Sir George Young: My hon. Friend is right that the Sentencing Guidelines Council has made some proposals that would impact on short sentences. The Government's view is that short sentences are appropriate in many cases, particularly those that involve assault, and the Government will respond in due course to the views of the council.

Diana R. Johnson (Kingston upon Hull North) (Lab): Hull has already seen the withdrawal of the university of Lincoln from its Hull campus. I am particularly concerned about the Browne recommendations on funding and their effect on Hull university. Will the Leader of the House make space in Government time for us to debate the effects on local constituencies of the withdrawal of funding to higher education institutions?

Sir George Young: The hon. Lady makes a serious point. I am sure that the House will want to debate, in due course, the recommendations of the Browne report. When we have details of how much is being made available in resources for next year, there might be an opportunity in the debate on the CSR to make the point that the hon. Lady has just made.

Nicholas Soames (Mid Sussex) (Con): Is my right hon. Friend aware of the necessary upheaval caused by the important work going on in many constituencies to amalgamate several special needs schools, their transfer on to the site often of other big schools and the traffic chaos that can ensue, understandably but regrettably? Will my right hon. Friend consult the Department for Transport to see whether there is an opportunity for a debate with Ministers from both the Department for Transport and the Department for Education to try to hammer out some of those difficulties and see whether a more effective protocol could be found?

Sir George Young: My hon. Friend makes a forceful point, and that sounds to me an ideal topic for a debate in Westminster Hall. I know that many local education authorities, when they are considering the amalgamation of schools or the construction of new schools, take into account the traffic that would be generated. Sometimes they make it a condition for approval of the expansion of a school that there should be a green transport to school policy. I can only encourage my hon. Friend to make a bid for a debate in Westminster Hall.

Caroline Lucas (Brighton, Pavilion) (Green): Will the Leader of the House make time for a debate on the Floor of the House on the Government's significant decision to allow deep-water drilling off the west of Shetland, a decision that raises serious environmental concerns, and which was slipped out at a time when the House was not sitting and the relevant Select Committee had not yet reported, and the US investigation into the gulf of Mexico disaster still is not complete?

Sir George Young: I am not sure whether that is a matter for my right hon. Friend the Secretary of State for Energy and Climate Change or whether it falls to the Scottish Administration to resolve it. I shall make some inquiries and ensure that the hon. Lady gets an answer.

David Tredinnick (Bosworth) (Con): When does my right hon. Friend expect Parliament square to be cleared of demonstrators? Is he aware that the situation is worse than it was in the summer, with 20 illegally placed tents on the pavement meaning that nobody can use the square at all? When is he going to deal with this situation?

Sir George Young: I am grateful to my hon. Friend for once again raising this issue. I support the action that the Mayor of London took a few months ago to clear the green in the middle of the square, and I hope that that area will be restored to the condition in which it used to be. In the meantime, the camps have simply moved to the pavement. That is wholly unacceptable, and it is not what one should see in the centre of an historic capital city. We are going to consider legislation in the forthcoming Home Office Bill to put the situation right.

Mr Dave Watts (St Helens North) (Lab): May we have a debate on the Air Force's view that if it faces cuts, it is quite likely that it will be unable to protect Britain in the case of a 9/11-type attack in the future?

Sir George Young: I said in my business statement that the Prime Minister would make a statement on the strategic defence and security review. I expect that there will be a debate shortly after that in which the hon. Gentleman will have the opportunity to raise his concerns.

Mr John Redwood (Wokingham) (Con): As the Government strategy rests on raising £176 billion a year more tax at the end of this Parliament than last year, may we have an early debate on economic growth, the measures the Government can take to promote it, and how we can lift spirits in this country so that that is feasible?

Sir George Young: My right hon. Friend will know that we have already introduced a number of measures to promote growth, such as reducing corporation tax and encouraging the establishment of new businesses in certain regions of the country. I hope that on the back of the CSR he will have the opportunity to make his points in the debate that I have just announced.

Paul Flynn (Newport West) (Lab): May we debate early-day motion 805 on the brutal, unfair and irrational proposal that would deny Wales and the west of England our only regional passport office and destroy the jobs of 250 loyal workers, who were recently commended by a Minister for their splendid can-do attitude?

[That this House regrets the proposal to close the Newport Regional Passport Office which would result in the loss of 300 jobs and leave Wales and West of England without the services currently available only from regional offices; notes the closure would make Wales the only devolved nation in the UK without a regional office; welcomes the Newport passport workers commendation for the high quality of their work and their can-do co-operation when faced with the new challenges; believes that moving work and jobs from Wales to London damagingly reverses the 50-year all-party policy of relocating public sector jobs from the South East of England to areas of high unemployment; and calls for the withdrawal of this irrational, wasteful proposal.]

Sir George Young: Of course I understand the local concern about the proposed closure of the passport office in Newport. I will share that concern with my right hon. Friend the Home Secretary, so that she is aware of it, and I will write to the hon. Gentleman.

Greg Mulholland (Leeds North West) (LD): May we have a debate on the purpose and adequacy of the Office of Fair Trading, which today issued an extraordinary conclusion on the beer tie and the pub companies, whose conduct was widely criticised by the then Select

[Greg Mulholland]

Committee on Business and Enterprise? That criticism has been accepted by the previous Government and by this Government. May we have a debate on this important subject to see whether that body is fit for purpose?

Sir George Young: I commend the work that the hon. Gentleman in the last Parliament did to safeguard pubs up and down the country. The question of the OFT might arise in the statement to be made shortly by my right hon. Friend the Minister for the Cabinet Office.

Nic Dakin (Scunthorpe) (Lab): Earlier in the week, in answer to my hon. Friend the Member for Wrexham (Ian Lucas), the Economic Secretary to the Treasury said that it was a "constructive" suggestion from Sir Philip Green for the Government to save money by delaying payments to suppliers for up to 45 days. Small and medium-sized enterprises will find that highly concerning, as they work hard to prosper in these difficult times. Will the Leader of the House find time for a statement on this issue to clarify the situation?

Sir George Young: My view is that Government Departments should settle their bills promptly.

Mr David Nuttall (Bury North) (Con): Will my right hon. Friend the Leader of the House find time for a debate on the scope of our health and safety legislation, because it appears that now even the Scouts are being prevented from enjoying their usual games and activities?

Sir George Young: As a former Scout, I would regret any curtailment of the activities that I used to indulge in. I shall raise my hon. Friend's concerns with the appropriate Minister and get a reply.

Mrs Madeleine Moon (Bridgend) (Lab): May we have a debate in Government time on the need to update copyright law, especially to protect small businesses such as The Priory, which is a hair and skin clinic in Bridgend? It inadvertently downloaded from the internet images that were not properly identified and has subsequently faced horrendous bills from Getty Images demanding that it make exorbitant payment for the accidental use of ill-marked images—

Paul Flynn: Disgraceful.

Mrs Moon: It is disgraceful, as my hon. Friend says, and is damaging a number of small businesses that cannot afford to take legal action to protect themselves.

Sir George Young: I share the hon. Lady's concern. I thought that there had been legislation relatively recently to address that problem, but if there is a loophole in it, I shall raise that with my hon. Friends at the Department for Culture, Media and Sport.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on Burma? With the Burmese elections due on 7 November, does the Leader of the House agree that those elections need to be free and fair, and that if the Burmese regime is serious about engaging with the international community, it needs to honour its pledge and release Aung San Suu Kyi?

Sir George Young: I wholly agree with my hon. Friend's point about the release, and I know that the British Government share that concern. He will have an opportunity on 16 November to ask the Secretary of State for Foreign and Commonwealth Affairs about this. Alternatively, he can apply for a debate in Westminster Hall or through the Backbench Business Committee.

Yvonne Fovargue (Makerfield) (Lab): I would like to ask the Leader of the House for a debate on the real consequences for women of the proposed loss of child benefit—just one example of which would be the effect on their state pensions.

Sir George Young: The hon. Lady raises a legitimate point about whether the loss of child benefit will have an impact on the entitlement to a state retirement pension in the wife's own right, and that is something that we will want to consider.

Christopher Pincher (Tamworth) (Con): Thanks to a bizarre decision by the Planning Inspectorate, next year Tamworth faces the prospect of severe traffic chaos and potentially long-term congestion thereafter. Will my right hon. Friend give an indication of when it will be the business of this House to abolish the Planning Inspectorate and devolve power to local planning decision makers? In the course of that debate, will we be able to discuss and review some of the decisions made by the inspectorate that have yet to be implemented?

Sir George Young: My hon. Friend will have an opportunity to address those concerns when we reach the localism Bill. We have no plans to abolish the Planning Inspectorate, which allows individuals a right of appeal against refusals by local authorities, but against that background we want to push down decisions, such as those that were previously taken by regional bodies, to a local level.

Nick Smith (Blaenau Gwent) (Lab): I refer the Leader of the House to early-day motion 742, which was tabled by my right hon. Friend the Member for Torfaen (Paul Murphy).

[That this House calls on the Secretary of State for Wales to propose a meeting of the Welsh Grand Committee to discuss the implications for Wales of the Parliamentary Voting System and Constituencies Bill.]

Under current proposals, Wales will lose 25% of its parliamentary seats, yet there will be little time for discussion on the Floor of the House of the implications of that for Wales. Will the Leader of the House discuss that matter further with the Secretary of State for Wales, so that legitimate questions and grievances in Wales are given a proper hearing in the Welsh Grand Committee?

Sir George Young: I understand that my right hon. Friend the Secretary of State for Wales has written to all Welsh Members setting out her decision not to refer the matter to the Welsh Grand Committee. As the hon. Gentleman will know, the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), who is the Minister with responsibility for political and constitutional issues, is giving evidence today to the Welsh Affairs Committee. The hon. Gentleman

will also know that one reason why the Parliamentary Voting System and Constituencies Bill is being taken on the Floor of the House is to allow Members from all parts of the UK to make their contributions. We have provided five days for debate in Committee of the whole House and two days on Report, which is an adequate opportunity for all Members to make their points. The specific issues concerning Wales arise under clause 11, and I hope that he will have an opportunity to contribute to that debate.

Lorely Burt (Solihull) (LD): May we have a debate on plans by the banks to phase out the cheque? Cheque guarantee cards are due to be phased out in June next year, which will cause enough problems, but that will be nothing compared with the problems that will be caused for small business people, charities, the housebound, pensioners and many others. They will suffer for the convenience of bankers, who seem to have forgotten what customer service is.

Sir George Young: My hon. Friend has raised concerns that are felt in constituencies represented on both sides of the House. As I understand it, the Payments Council announced last year that it had set a provisional date of 2018 to close the cheque-clearing system, and it is keen to hear as many views as possible. I also agree that that would be a perfectly legitimate subject for a debate. Perhaps she will contact the Chair of the Backbench Business Committee and see whether it catches her eye.

Mr John Spellar (Warley) (Lab): Will the Leader of the House confirm whether we can expect a statement on Monday by either the Foreign Secretary or the Defence Secretary on the review of foreign and security policy? Does he share my concern at reports that that will be done by a written statement rather than by an oral statement in the House, which would be subject to proper scrutiny?

Sir George Young: I announced in my business statement that the Prime Minister will make a statement on the strategic defence and security review, and I announced a further statement by the Chancellor; I did not announce any other ones.

Priti Patel (Witham) (Con): Earlier this week, we witnessed the spectacle of the unapologetic chief executive of Her Majesty's Revenue and Customs admitting to even more mistakes with PAYE and trying to justify a £50,000 a month fat cat salary to the head of IT in that bureaucratic organisation. At the same time, she refused to take any responsibility for the misery that that organisation is causing my constituents. May we have a debate in Government time on that organisation's failure to be more accountable and transparent?

Sir George Young: Evidence has been given to the Public Accounts Committee by HMRC. The Government want to see the PAC report on HMRC before responding in due course. I will certainly bear in mind my hon. Friend's criticisms.

Bridget Phillipson (Houghton and Sunderland South) (Lab): May we have a debate on the implications of the Government's changes to housing benefit? Many Members have raised serious concerns about the impact of those changes on driving up homelessness. In constituencies such as mine, where more than half of housing benefit claimants are over 60, the changes will hit pensioners particularly hard. In addition, the Government have been extremely unclear about the effect that the changes will have on homelessness provision, such as hostels and women's refuges.

Sir George Young: I understand the hon. Lady's concern. There was a debate on housing benefit in Westminster Hall yesterday, but I am not sure whether she was able to attend. The proposed changes will require legislation, and there will be an opportunity as the legislation goes through Parliament to raise the issues that she touches on.

Mr Rob Wilson (Reading East) (Con): May we have a statement from the appropriate Minister on the dreadful—I mean dreadful—state of much of the education in our youth offenders institutions?

Sir George Young: There may be an opportunity to raise that particular subject at Justice questions, or it may be an appropriate topic for a debate. In the meantime, I will draw the attention of the Secretary of State for Justice to my hon. Friend's concern.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): Will the Leader of the House inform us when we will get a statement on the future of the BBC World Service, particularly given my understanding that it is being treated not as a non-departmental public body or as a quango in the traditional sense, but as an arm's length organisation? The matter is particularly important given the work that the BBC World Service does around the globe.

Sir George Young: Like the hon. Gentleman, I pay tribute to the work of the BBC World Service. It may be that that issue is better debated after next Wednesday's CSR.

John Stevenson (Carlisle) (Con): I was selected as a parliamentary candidate by virtue of an open primary. The coalition agreement includes a proposal to conduct 200 all-postal primaries during this Parliament. Will the Leader of the House make a statement on progress on that issue?

Sir George Young: My hon. Friend is right to remind the House that the coalition agreement includes a commitment to fund 200 all-postal primaries over the course of this Parliament as part of our overall programme of reform to make our politics more accountable. As he knows, we have already embarked on a major programme of constitutional reform. We are considering how best to take forward the proposal on all-postal primaries in the light of other changes that will impact on our electoral process.

Mr Kevan Jones (North Durham) (Lab): Can we have a debate in Government time on the appointment yesterday of the Prime Minister's new military assistant, to clarify not only the role of the Chief of the Defence Staff, but, more importantly, the role of Her Majesty the Queen as head of the armed forces? Yesterday, the justification from No. 10 was that both President Sarkozy and

[Mr Kevan Jones]

President Obama have military advisers and therefore so should our Prime Minister, which does not recognise the fact that they are Heads of State, unlike him.

Sir George Young: I am sure that the Prime Minister is entitled to military advice. I will give the Prime Minister notice that after his statement on Tuesday he can expect a question along those lines from the hon. Gentleman.

Mr Peter Bone (Wellingborough) (Con): Last night, there was an absolutely splendid debate in the House: the Government Benches were packed; 44 Members spoke; and parliamentary history was made when for the first time the Government accepted an amendment tabled by my hon. Friend the Member for Stone (Mr Cash) on a European matter. However, the Opposition Benches were empty—Opposition Members were absent without leave. Will the Leader of the House encourage the Opposition to hold the Government to account?

Sir George Young: The hon. Member for Bolsover (Mr Skinner) was, of course, here. I am sorry that Opposition Members were not here, because they missed a first-class performance by the Economic Secretary. They also missed a moment of history, when, for the first time in my life, I voted for an amendment on Europe tabled by my hon. Friend the Member for Stone.

Julie Hilling (Bolton West) (Lab): In light of the huge threat to hundreds of voluntary and community groups in my constituency and across the country because of cuts imposed by the Government, may we have a debate on the Government's vision for the big society?

Sir George Young: I say very gently to the hon. Lady that the cuts imposed by the Government—to use her words—are necessary because of the deficit that we inherited from the previous Labour Government, who had pencilled in 20% cuts. Until Labour Members are much more open than they have been to date about how they would deal with the deficit, they have no credibility whatsoever on financial issues.

Tony Baldry (Banbury) (Con): The cull of quangos is welcome in enhancing accountability, but the corollary is that that accountability must go to Secretaries of State and Departments. Will my right hon. Friend instruct the Table Office and the departmental parliamentary Clerks to be more welcoming on the tabling of written questions to Departments? There should be a general principle that if a Department spends money on it, we should be able to ask questions about it.

Sir George Young: My hon. Friend makes a powerful point, which relates to the announcement in the written ministerial statement that Ministers will have direct responsibility for a number of issues that were previously covered by quangos. It follows from that that there should be a change in process at the Table Office to recognise the changes announced by my right hon. Friend the Minister for the Cabinet Office.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): The Government efficiency tsar, Sir Philip Green, is famously efficient in organising his own tax affairs. May I add my voice to the clamour from across the House for a debate on the antisocial behaviour of tax avoiders?

Sir George Young: I think that that issue was raised and dealt with by the Secretary of State for Business, Innovation and Skills in departmental questions. As I said in reply to one of my hon. Friends, we welcome the initiatives of HMRC to close down tax avoidance. If the hon. Gentleman has a specific scheme in mind, perhaps he would like to contact the Treasury.

Robert Halfon (Harlow) (Con): Will the Leader of the House find time for a debate on houses in multiple occupancy owned by private landlords? A constituent of mine, Mrs Sullivan, has talked to me in my surgery about overcrowding and antisocial behaviour in some HMOs in Harlow that are becoming an urgent problem.

Sir George Young: Local authorities have fairly extensive powers in relation to HMOs. My hon. Friend might want to establish whether his local authority is using those powers. If he believes that there is a deficiency in the powers available to local authorities, I would be happy to raise that issue with my hon. Friends at the Department for Communities and Local Government.

Kevin Brennan (Cardiff West) (Lab): Further to the point made by my hon. Friend the Member for Blaenau Gwent (Nick Smith), may I ask the right hon. Gentleman to reconsider having a word with the Secretary of State for Wales about holding a meeting of the Welsh Grand Committee? I cannot remember an occasion in recent years on which there has been overwhelming demand for such a meeting and it has been denied by the Secretary of State. Not even the right hon. Member for Wokingham (Mr Redwood), who is in his place, would have done such a thing when he was Secretary of State for Wales. Rather than just face me down at this point, will the Leader of the House agree to have a word with her and to think again?

Sir George Young: The Secretary of State for Wales and the Minister with responsibility for political and constitutional reform, my hon. Friend the Member for Forest of Dean (Mr Harper) discussed the Bill's provisions and their effect on Wales with Members who represent Welsh constituencies at a recent meeting in the House. The Secretary of State has set out her reasons for not acceding to the request of the former Secretary of State for Wales, the right hon. Member for Torfaen (Paul Murphy). There are Welsh-specific clauses in the Bill that will provide adequate opportunities for Members from Wales to have the same opportunity as other Members to raise their concerns in the House.

Mr Brian Binley (Northampton South) (Con): The regulators are placing great demands on the banks to build up capital reserves while, as we learned today, 125,000 small businesses are in danger of going to the wall. Will the Leader of the House arrange a debate in Government time so that we can talk about ways of

unlocking that money to ensure that small businesses can play their part in ensuring the success of the Budget strategy?

Sir George Young: Of course the banks, particularly those in which the Government have a substantial stake, should help to promote recovery by lending to small businesses that have worthwhile propositions. I am not sure that there is a total contradiction between rebuilding the balance sheets on the one hand and lending to small businesses on the other. If one has a robust balance sheet, it should be possible to make more provision for lending.

Michael Connarty (Linlithgow and East Falkirk) (Lab): It is quite clear that the comprehensive spending review will mean massive consequential cuts for the funding of the Scottish Government. We understand that a dirty deal has been done between the Conservatives and their new Scottish National party allies to postpone those cuts for one year. What will the Leader of the House do to ensure that the figures are published so that people will know what the double-whammy cuts will be in the second year, and how will they be scrutinised by the Select Committee on Scottish Affairs or the Scottish Grand Committee?

Sir George Young: The hon. Gentleman must await the statement by the Chancellor of the Exchequer next Wednesday. Perhaps he will catch your eye, Mr Speaker, and ask questions about the consequences for Scotland of the overall settlement in the UK.

Julian Smith (Skipton and Ripon) (Con): May we have a debate about the recent Commission for Rural Communities report that highlighted major issues with access to services in rural North Yorkshire?

Sir George Young: I have a rural constituency, like my hon. Friend, in which it is often more difficult to provide a range of services. I hope that the Chairman of the Backbench Business Committee, who heard that question, will add it to her list of bids.

Valerie Vaz (Walsall South) (Lab): My constituent James Goodman is a hard-working electrician who has invested in property in Egypt only to find that local builders have seized that property. His only advice from the embassy has been to get a lawyer. He has done that, and it has cost him more than £9,000. The Russian Government have looked after their citizens and have made representations to the Egyptian Government. May we have an early debate on what this Government are going to do to protect British citizens abroad?

Sir George Young: I am sorry to hear what has happened to the hon. Lady's constituent. I suggest that she applies for an Adjournment debate and seeks the support of a Foreign Office Minister in the cause that she has just espoused.

Mr Speaker: Last, but certainly not least, I call Mr Ian Austin.

Ian Austin (Dudley North) (Lab): Thank you, Mr Speaker. Despite what the Leader of the House said earlier, the rate at which emergency cold weather payments will be made this year was fixed on Monday when the regulations were made. As things stand, 4 million of Britain's poorest families and pensioners are to have their benefits cut by two thirds and to receive just £8.50. Should not the Secretary of State for Work and Pensions come to the House at the earliest opportunity to clear up this shambles?

Sir George Young: The rate of payment will be announced in the spending review next week. We are committed to helping vulnerable people and we will continue to make cold weather payments as and when they may be triggered, but we will not comment on the rate of those payments ahead of the spending review.

Mr Speaker: I am extremely grateful both to the Leader of the House and to all colleagues whose succinctness has meant that all 44 hon. Members who wished to question the Leader of the House have had the chance to do so. That shows what can be done when we put our minds to it.

Public Bodies Reform

12.15 pm

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): Today, the Government have taken decisive action to restore accountability and responsibility to public life. For too long, this country has tolerated Ministers who duck the difficult decisions they were elected to make. For too long, we have had too many people who were unaccountable, with a licence to meddle in people's lives. For too long, we have had quango pay spiralling out of control, so that seven people in the Audit Commission are paid more than £150,000 a year at a time when the average civil servant's pay is £23,000.

The landscape for public bodies needs radical reform to increase transparency and accountability, to cut out duplication of activity and to discontinue activities that are simply no longer needed. My written statement this morning outlined the start of a process to curtail the quango state. I have led an intensive review into public bodies, subjecting each to four tests. The first test was existential and asked, does the body need to exist and do its functions need to be carried out at all? The answer to that question in some cases was no. For example, we decided that the Government probably do not need an independent body to deliberate on the purchase of wine.

If, as in most cases, the body's functions were deemed necessary, we then sought to establish whether those functions should properly be carried out at arm's length to government. If the body carries out a highly technical activity, is required to be politically impartial or needs to act independently to establish facts, then it is right for it to remain outside direct ministerial accountability. That is the case with bodies such as the new Office for Budget Responsibility and Ofgem. However, any quango that does not meet one of these tests will be either brought back into a Department or devolved to local authorities—in both of which cases, there will be democratic accountability—or its functions will be carried out outside the state altogether in the private or voluntary sectors.

We have gone through an extensive process to determine the outcome of the review. Our first task was quite simply to identify how many quangos there are and what they do. It may sound absurd but it was and remains incredibly difficult to gain firm information on such bodies. Many do not publish accounts, there is no central list and there are myriad different types all with different statuses. The official list of non-departmental public bodies has 679 bodies, excluding those in Northern Ireland, but that does not include non-ministerial Departments, Government-owned public corporations or trading funds. Our review covered 901 bodies and we believe, but cannot be certain, that that is the true extent of the landscape. I stress that departmental agencies—Executive agencies—are not in the review's scope. They are directly controlled by Ministers who are accountable to Parliament for what they do.

Once we established the overall lists, each Department went through a rigorous process to determine whether each of its quangos met any of the tests. The list I have published today is not complete but is a work in progress. The House will note that a number of bodies are subject to a longer-term review—for example, the Children's Commissioner and the Office for Fair Access.

Of the 901 bodies in the review, substantial reforms are proposed for more than half. We propose that 192 should cease to be public bodies at all and that 118 should be merged down into 57 successor bodies, removing wasteful and complicating duplication of effort. Some 171 bodies are proposed for substantial reform while retaining their current status. For those bodies that we are abolishing, I stress that in many cases that does not mean the end of the function. Abolishing the regional development agencies, for example, does not mean that we no longer care about promoting regional business—*[Interruption.]* The Opposition's response is very revealing, because it suggests something fundamental about what we are trying to change: the assumption that one can prove that one cares about something only if one sets up a quango. We think that there is a different and a better answer, and that we can promote regional business in a better way.

Since the introduction of RDAs, regional imbalances have become not better, but worse, and the development agencies carried a staggering £212 million in administration costs. We believe that local businesses and local authorities are better placed to decide what they need, not highly paid executives imposed on them by Government. An activity does not need an unaccountable bureaucratic structure to signify its importance; the exact converse is true. If something is important, someone who is elected should make decisions about how it is done. That is why we are bringing a host of functions back into Departments, such as those of the Child Maintenance and Enforcement Commission and the Renewable Fuels Agency to name but two.

All remaining public bodies will be subject to a rigorous triennial review to ensure that the previous pattern of public bodies often outliving the purpose for which they were established is not repeated. They will be expected to become more open, accountable and efficient. In the new year, I shall outline to the House in more detail the new framework for those remaining quangos.

All proposed changes will be delivered within Departments' spending review settlements. Those bodies whose status is being retained may be subjected to further reforms following the spending review, in the same way as all other parts of the public sector. I want to acknowledge the dedication and hard work of those who work in public bodies. We are committed to working with the chairs and chief executives of those bodies to ensure that change is conducted as fairly and as smoothly as possible.

To enable the proposed changes to be implemented, the Government will shortly introduce a public bodies Bill, which will give Ministers power to make changes to named statutory bodies. Other forthcoming legislation, such as the education Bill and the localism Bill, will also be used to make changes directly.

I believe that these reforms are the first and necessary step to restoring proper democratic accountability to public life. They signal a complete culture change in government, from one that ducks difficult decisions, is opaque and allows profligacy, inflated salaries and waste, to an Administration who are open and transparent about what they do, with Ministers who take responsibility for their actions and are mindful of every penny of taxpayers' money. I commend these reforms to the House.

Mr Liam Byrne (Birmingham, Hodge Hill) (Lab): I am very grateful to the right hon. Gentleman for early sight of his statement—in the *Financial Times*, *The Guardian* and *The Daily Telegraph* this morning. He is a man who appreciates the courtesies of this House, so I know that he will provide you, Mr Speaker, with an explanation of how the media could possibly have been briefed before Members were.

May I, however, start on a note of consensus? I thank the Minister for his work in completing a process that was set in train during my time at the Treasury. In March I told the House that 123 quangos would need to close, and from first glance at this statement it appears that two thirds of the 192 arm's length bodies that need to close are those that I announced in March. Instead of 20% of quangos being closed, the Minister has announced that 25% will be.

I am grateful, too, that his tests largely confirmed the approach that I set out in March. I welcome his endorsement of the principles of a sunset clause for quangos and of triennial reviews. I am especially grateful for his confirmation of our decision to mutualise British Waterways, which will be an important institution in the third sector that I know we both support.

May I, however, raise the slightly obvious question about the way in which the right hon. Gentleman has conducted this exercise? All of us want to improve accountability—it was one of the three principles that we set out in the ALB review in March—but we also want to save money, and once upon a time I thought that the current Prime Minister agreed, because, in a typically thoughtful and measured intervention, he said in October 2008:

"Sound money means...destroying all these useless quangos and initiatives."

Now the Minister tells us that the Prime Minister in fact got it wrong. Saving money

"is not the principal objective",

he told the "Today" programme this morning.

Labour's plan would have saved £500 billion by 2012-13. Now we are told that the Government's approach will not in all cases save money at all. In fact, it could cost more money than it saves at the Audit Commission, the RDAs, the UK Film Council, Standards for England and the Human Fertilisation and Embryology Authority. I am afraid that the Minister has become the most expensive butcher in the country. His friend the Chancellor will no doubt be delighted.

Will the Minister, first, set out the total cost of implementing the plan this year and next? He should have those figures at his fingertips now that the review is almost complete. Secondly, can he explain the impact on jobs and unemployment? Organisations such as the UK Film Council help to strengthen industry and tax revenues. What estimate has he made of the impact of his announcement on growth and jobs?

Thirdly, the principle of independence is sometimes important, and I am glad that he acknowledges that, but it is not clear how he has applied it in all cases. For example, we need to hear a little more from the Minister about the Football Licensing Authority. The Secretary of State for Culture, Media and Sport infamously had to apologise for blaming Liverpool fans for the Hillsborough tragedy; now the Government are scrapping the organisation established to ensure that a Hillsborough never happens again, without being clear about what will be put in its place.

Finally, in March I introduced a new principle whereby quangos would be set up only as a last resort. The Minister's statement confirms his presumption that state activity should be undertaken by bodies that are democratically accountable. His party's manifesto promised 20 new quangos—one third of the extra quangos that he has abolished today. Will he confirm that those quangos will not go ahead?

Mr Maude: It is very good to have such a consensual approach from the man who famously told the world on leaving government that there was no money left. There will be savings as a result of the process, and there need to be because the right hon. Gentleman was a prominent member of a Government who left office spending £4 for every £3 of revenue. They were having to borrow £1 out of every £4 just to keep the lights on, the teachers in the schools, the pensions being paid and the doctors and nurses in the hospitals. This Government have to clear up the mess that his Government shamefully left behind, and there will be savings from the process.

Mr Byrne: How much?

Mr Maude: We became used to the previous Labour Government bandying around large numbers in respect of the savings that they proposed to make, but we know that when the National Audit Office went around after those much vaunted efficiency exercises over which he and his colleagues presided, it found that in most cases they had not saved money at all. It was all about the optics and trying to make a point; it had nothing to do with reality.

I am sorry to say that jobs will be lost as a result of this process, but, in order to clear up the fiscal mess that the right hon. Gentleman's Government left behind, that is sadly an inevitability. Savings will be made as a result of the exercise, but, as I said at the outset, it is not principally about saving money, although it will do so. It is principally about increasing accountability—the important presumption that when an activity is carried out by the state, and there is no pressing need to do so at arm's length from government, it should be carried out by someone who is accountable democratically, either a Minister who is accountable to this House and, through this House, to the public, or a local authority that is accountable to local residents.

It is very good that the right hon. Gentleman agrees with our approach and thinks it sensible. He tried to claim credit for it himself, actually, so, as the various bodies that we have discussed today start to complain, as some will, and as some vested interests will with a very loud voice, I shall be able to tell them that our approach is a consensual one—that the Labour party wants to play its full part in responsibility for the whole exercise.

Several hon. Members *rose—*

Mr Speaker: Order. There is a lot of interest and little time, so brevity both from Back Benchers and Front Benchers is vital.

Mr John Redwood (Wokingham) (Con): How will we be less bossed about and over-regulated as a result of these changes?

Mr Dennis Skinner (Bolsover) (Lab): Not very much.

Mr Maude: The hon. Member for Bolsover (Mr Skinner) says, rather regretfully, "Not very much." It sounds as though he wants us to be more regulated and bossed around—that is somehow in his nature.

The answer to my right hon. Friend the Member for Wokingham (Mr Redwood) is that some functions will not be carried out at all. The key point is that the presumption will be that where there is a state activity, at least he and the rest of the House will be able to hold a Minister to account for what is done. What people find so irritating is the sense that there has been incontinently set up, in large part by the previous Government, this huge amount of activity by bodies that are in no way accountable: no one can hold them accountable for what they do. That is what we are seeking to change.

Mr Jack Straw (Blackburn) (Lab): May I first invite the Minister, in the spirit of consensus that we certainly want on this, to show just a tiny bit of humility in recognising that the high point of the unaccountable quango state was under the Major Government, of whom he was, I think, an adornment? At that time, outrageously, as I found when I became Home Secretary, having endured it in opposition, even parliamentary questions to the Secretary of State about prisons were being answered not by a Minister but by the chief executive of the agency concerned. That was preposterous and it happened under a Conservative Government, but we ended it very quickly. I hope that he recognises that the history goes right back to the Major Government.

Secondly, may I ask the Minister a specific question about the Youth Justice Board? I set that up; I accept that it does not have life eternal and that there is a case for reviewing its future. However, will he ensure that as its future is reviewed, its key functions of delivering effective youth justice are preserved?

Mr Maude: It is a pleasure to welcome the right hon. Gentleman into our big tent; it is open to all-comers, and it is a delight to have him as a resident. I think that he confuses the role of Executive agencies with the function of a quango. It seems to me perfectly proper that when Members of Parliament inquire about an activity they receive a reply from the Executive agency's chief executive. That does not mean that that agency is not accountable to Parliament through what a Minister says and does. The right hon. Gentleman will have found himself, as Home Secretary, directly accountable to this House for those functions.

Some of the functions performed by the Youth Justice Board will continue to be very important, but we take the view that the need for independent oversight of the process has now outlived its usefulness.

Andrew Bingham (High Peak) (Con): I am pleased to hear my right hon. Friend say that overall costs will be reduced. A Local Government Association publication of December last year outlined 790 quangos costing £43 billion. How can he ensure that more quangos will not reappear as some disappear?

Mr Maude: I am sure that there will occasionally be a case for new independent bodies coming into existence, but they will need to meet rigorous tests. They will need to show that they are needed to provide a seriously technical function, or that the function has to be carried out in a way that is demonstrably politically impartial, or that they are measuring facts in some way that requires independence. The Office for Budget Responsibility, which my right hon. Friend the Chancellor set up early in the life of this Government, is one such body that meets all those tests. They will have to go through a rigorous process before consent is given to their creation.

Mr George Howarth (Knowsley) (Lab): Does the Minister accept that some of these bodies were set up almost as debts of honour? I particularly mention the Football Licensing Authority and the Human Tissue Authority, which were set up respectively after the Hillsborough stadium disaster and the scandal at Alder Hey hospital. Does he accept that a lot of people who were affected by those events will be aghast that that debt of honour has now been reneged on by this Government?

Mr Maude: I hear what the right hon. Gentleman says, and I know how deeply he, and many people, feel about that. Those two events caused a deep scar in the lives and memories of very many people, and they were scars on the life and history of this country. I would simply make this point to him: we should not be setting up bodies, or retaining bodies in existence, merely for symbolic purposes. It will remain important that there is expertise about safety measures in football grounds. That function does not disappear, but it does not necessarily need to have its own separate, unaccountable organisation to dispense it. Similarly, the functions of the Human Tissue Authority can be carried out perfectly properly within the plethora of regulatory bodies in the health sector, to which my right hon. Friend the Health Secretary is rightly applying some reforming rigour.

Mr Mark Williams (Ceredigion) (LD): Liberal Democrat Back Benchers welcome the statement on the grounds of cost, improved efficiency and, above all, embarking on dealing with the problem of democratic deficit. However, behind the names of these organisations there are many people genuinely fearful for their jobs. Will the Minister emphasise this line in his statement: "For those bodies that we are abolishing, I should stress that in many cases this does not mean the end of the function"? That is very important, and that reassurance needs to be made to many other people.

On the ending of Consumer Focus and the passing of its responsibilities to citizens advice bureaux, the Minister is aware that there are many concerns about funding for Citizens Advice at a central level. What discussions has he had with his colleagues about enhancing the role of CABs and, indeed, increased funding—

Mr Speaker: I am extremely grateful to the hon. Gentleman, and I will be grateful to the Minister for a brief reply.

Mr Maude: My hon. Friend makes a perfectly proper point about staff. We hope that jobs will not be lost, although some will be; we recognise that every single one is a personal disaster for the family involved. The chief executives of all bodies affected by the changes I am announcing should have communicated with staff this morning to give them as much certainty as possible about the future.

As regards Consumer Focus and consumer activities, the funding implications are being considered by my right hon. Friend the Business Secretary, and results will emerge in due course. We recognise that we cannot just hand these functions over to outside bodies without any resource implications.

Mark Durkan (Foyle) (SDLP): In pursuit of his body count, did the Minister consider the role of the Investigatory Powers Tribunal, which has upheld absolutely no complaints against the security services and has never offered any reason? Its existence is merely a deceit of scrutiny to mask the conceit of unaccountable, secret powers. Has he found any more faceless, toothless or spineless creatures in the ecosystem of government?

Mr Maude: The hon. Gentleman encourages me to have a very good look.

Caroline Dinenage (Gosport) (Con): In Gosport, we face the prospect that our outstanding Navy engineering training school at HMS Sultan will move to St Athan in Wales under a massive and unnecessarily expensive private finance initiative. What will happen to some of the other outrageous PFIs that quangos have entered into, such as the National School of Government?

Mr Maude: As we spend more time in government and pick up stones, we find quite a lot of contracts in place that make one wonder a bit about the diligence that Ministers took in exploring them at the time. Going through the detail of contracts is not necessarily the most amusing way to spend one's life, but it is rather important because there is a lot of public money involved; the body to which my hon. Friend refers is one such example.

Alison McGovern (Wirral South) (Lab): Will the Minister say what will happen to the functions of the Football Licensing Authority and who will give its world-class advice on safety? That issue is of high importance to my constituents and to many others around the country.

Mr Maude: The FLA does not license football grounds, of course. That responsibility rests in all cases with local authorities, which will continue to exercise that incredibly important function. The central expertise to support the licensing activity could exist in a number of bodies, such as the Health and Safety Executive, or the Football Association could provide it. My right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport will explore all those options.

David Rutley (Macclesfield) (Con): I congratulate the Minister on the speed with which he has taken forward the review and this activity. *[Interruption.]* Well, it was completely ducked by the Labour Government. What further steps is he taking to give the remaining public bodies an increased focus on effectiveness and value for money, which is much needed as part of the culture changes set out in his statement?

Mr Maude: I am grateful to my hon. Friend for his remarks. In my written statement and the list attached it, we have identified 40 bodies that are still under review, in many cases because a formal review has been launched but has not yet reached its end. The Chancellor's comprehensive spending review, which I believe he will announce to the House next Wednesday, will set out the spending envelopes for all remaining bodies and place them under considerable financial rigour. For those that remain independent bodies there will be more transparency, which we have already started with the disclosure of higher salaries above £150,000. That has raised a number of questions about how those bodies are run.

Ian Lucas (Wrexham) (Lab): Some of the most vulnerable people in Wrexham work at the local Remploy factory. What kind of Government is it who include two words—"under consideration"—about their jobs, and what consultation is the Department for Work and Pensions undertaking with people whose jobs the Government are threatening?

Mr Maude: To put it bluntly to the hon. Gentleman, it is a Government who are having to clear up an appalling mess left by his party, which left office spending £4 for every £3 in revenue. This coalition Government are having to reduce and eliminate a budget deficit that was created by his party with gross irresponsibility. My right hon. Friend the Secretary of State for Work and Pensions is undertaking a serious review of the future status of Remploy, and is very much aware of its good work and the valuable employment that it provides for many disabled people.

Bob Russell (Colchester) (LD): Quango is not a description usually associated with the Independent Parliamentary Standards Authority. If it is not on the Minister's culling list, will he please consider putting it in there? This morning, IPSA refused to refund the cost of an advertisement for an advice bureau for my constituents. Is that not an affront to the House? Perhaps the Minister would like to invite Sir Philip Green to take over IPSA. I am pretty sure that the backroom staff of Topshop could do a far better job.

Mr Maude: I have been invited to go down that path before, and I am a cautious fellow so I shall resist the temptation to do so. I am grateful to my hon. Friend for his endorsement of the approach that Sir Philip Green has taken in helping the Government pick up a number of stones to find out exactly what is crawling around underneath.

David Cairns (Inverclyde) (Lab): The Minister is proposing to merge UK Sport and Sport England, which do quite distinct jobs—there is a clue in their titles. From his existential ruminations, will he tell me how he proposes to guarantee that elite athletes in Wales, Scotland and Northern Ireland, who are getting magnificent support from UK Sport in the run-up to the Olympic games, are not disadvantaged by what is effectively a takeover by Sport England, which understandably has a quite different focus?

Mr Maude: My right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport will no doubt be able to answer the hon. Gentleman's regular questions about how that will work.

David Cairns: You merged them.

Mr Maude: This is cross-Government activity, and the review has taken place across the Government. The hon. Gentleman will find that my right hon. Friends in charge of other Departments will make statements publicly today, and then he can pursue the matter. Of course the two organisations have different focuses, but they none the less cover a lot of the same ground. Having two separate lots of unproductive overheads when one set could do the job just as well does not seem a good way to spend taxpayers' money.

Mr Dominic Raab (Esher and Walton) (Con): I commend the Minister for his statement. Does he agree that the problem with quangos is not just their cost but their effectiveness? Competition law is vital for a free market, but having three regulatory bodies—the Office of Fair Trading, the Competition Commission and the European Commission—has made business more bureaucratic and regulation less effective. When Lloyds bought HBOS, the OFT's competition concerns were brushed aside with a wink and a nudge from the last Prime Minister at a cocktail party. Does the Minister agree that that is a good example of how less overlapping bureaucracy can mean more independent and robust regulation?

Mr Maude: My hon. Friend is completely right. The way in which the competition scrutiny process, which is really important for an effective economy, currently works can be very complex, confused and slow. If we can simplify it by merging competition functions into one place, as we propose, there will be a benefit for the economy and for business and it will assist in creating jobs, which will be really important.

Kate Green (Stretford and Urmston) (Lab): I noted with interest that the Child Maintenance and Enforcement Commission was one of the bodies to be brought back within the Government tent. Of course, it has not been subject to the same lack of public confidence as the Child Support Agency suffered for many years. How can the Minister guarantee that the stakeholders whose interests are put at the heart of the CMEC's functions within Government are parents and, crucially, children, and not primarily the state, as was the case with the CSA?

Mr Maude: I suppose the short answer to the hon. Lady is that this Government believe that Ministers should make themselves available to be held to account for what is done in their name. I understand that the previous Government preferred not to do that and set up independent bodies to carry out important functions. The child maintenance function does not meet any of the three tests that I set out. It obviously needs to exist, but it does not need to be politically impartial, and indeed Ministers should be ready to be held to account for it.

Richard Harrington (Watford) (Con): I very much welcome my right hon. Friend's statement. Contrary to what the right hon. Member for Birmingham, Hodge Hill (Mr Byrne) said, I have found that in the case of a quango that I have been dealing with, the UK Film Council, the industry is delighted that in future it will have direct access to Government instead of having to go through a third party. My concern, however, is that the same people who are working in such quangos will simply become Government employees. What measures will he take to ensure that that does not happen?

Mr Maude: I suppose from my hon. Friend's point of view the bad news is that many of them will become Government employees, but in those circumstances Ministers will be held responsible for what they do. I make no apology for restating that the principal purpose of the review is to increase accountability. The fact that someone becomes a civil servant employed directly by a Government Department rather than by a public body will make them more accountable, not less. We will be able to drive value for money and effectiveness much better.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): On the same subject, the Minister did not respond to the question that my right hon. Friend the Member for Birmingham, Hodge Hill (Mr Byrne) asked about the UK Film Council. I declare an interest: I co-chaired with Stewart Till of Universal the review "A Bigger Picture", which led to the formation of the council. I am sure the Minister would agree that since that time, there has been a huge renaissance of the British film industry. How can it be considered achievable and accountable to switch responsibilities from the council to the British film industry, and how can he say that we will have access to more transparency?

Mr Maude: I treat what the right hon. Gentleman says with great respect, because I know that he has a long background in the film industry. He is passionate about it and has done a huge amount in the course of his illustrious career to support it, but I take issue with his central contention. The implication of what he sets forth is that the excellent renaissance of the British film industry is somehow inextricably linked with the creation of the UK Film Council, but the creativity of the people who make films delivered that. I find that there has been a mixed response to the announcement that the UK Film Council will be abolished, which was made by my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport back in July. Very many eminent people in the film industry say that the UK Film Council's work was not central to the great success of the British film industry, but marginal in many cases.

Robert Halfon (Harlow) (Con): Does my right hon. Friend agree that hard-working taxpayers in my constituency will be glad that their taxes will no longer subsidise regional bureaucrats and quangos in the east of England? Does he also agree that that work could be done much better by local federations of small businesses and chambers of commerce, and that the new local enterprise partnerships should be lean and mean?

Mr Maude: I am confident that they will be, because they will be under much closer local control. Local business organisations will contribute to them and local authorities, which are of course democratically accountable, will influence them. The fact is that regional development agencies did not contribute to narrowing the regional imbalances in our economy. In fact, those imbalances got worse and not better when the agencies existed over the lifetime of the previous Labour Government. This Government believe that support for local and regional businesses that is focused more locally and that is more locally accountable is likely to deliver greater success.

Derek Twigg (Halton) (Lab): There is great concern in the field of health about the impact of the changes in loss of expertise, which we will examine closely in the coming days and weeks. Would the Minister today like to give a guarantee on the Floor of the House that there will be absolutely no loss of expertise?

Mr Maude: I am pretty sure there will be no such loss. If functions need to be carried out, the expertise deployed in doing so will be maintained.

Mr Andrew Turner (Isle of Wight) (Con): How will the Minister ensure that quangos handed back to the Government do not generate more costly parliamentary questions?

Mr Maude: The number of parliamentary questions generated is not a matter of where functions sit within government, but generally a matter of how many questions my hon. Friend and other colleagues in the House ask. If bodies become more democratically accountable through the House, they will be subject to more parliamentary questions—by definition—but it seems to me that that is a good thing and not a bad thing. That is what accountability is about.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Now that the much-vaunted bonfire of the quangos has turned into a clammy Sunday afternoon barbecue, may I congratulate the Minister on his plans for British Waterways? He seems to be taking exactly the right approach, but we await information on the allocation of property assets.

What do the Government plan to do with the National Endowment for Science, Technology and the Arts? May I also urge the Minister to encourage his right hon. Friend the Work and Pensions Secretary to hurry up in sorting out the future of the Independent Living Fund, because that is causing real concern to my constituents?

Mr Maude: I am sure my right hon. Friend the Work and Pensions Secretary will have heard the hon. Gentleman's last point and I know that he is addressing the matter with urgency. I welcome the hon. Gentleman into the big tent as far as the British Waterways Board is concerned. That is a good route to follow.

The hon. Gentleman also asked about the future of NESTA, which will become an independent endowment outside the Government. When the Bill that set it up went through the House, I was the Opposition spokesman, and I urged that it should be set up as a wholly independent endowment that is outside, and not in any way subject to the whim of, the Government.

Mr David Nuttall (Bury North) (Con): Although I welcome the proposal for a triennial review of the remaining quangos, can my right hon. Friend confirm that if it becomes clear that a quango no longer serves a useful purpose, it will be abolished immediately, without waiting for the completion of the three-year review?

Mr Maude: Yes.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Going through the list of quangos in the Department of Health, I can see the logic of pooling some of their regulatory functions. However, the Human Fertilisation and Embryology Authority provided more than regulatory functions; it also provided the forum for some very tricky ethical debates, without which the previous Parliament would have been unable to pass some of the legislation on such matters, because debates would have polarised along political or religious lines. Can the Minister assure me where that function of that authority now lies? Will he reconsider that change? The Health Secretary will have heard that as well because he has just arrived in the Chamber.

Mr Maude: We will end up with a single regulator for medical research. At the moment, such functions are dispersed quite widely. The functions of the HFEA and the Human Tissue Authority will lie within that single regulator.

Tony Baldry (Banbury) (Con): As my right hon. Friend will know, the Oxford canal goes right through the heart of my constituency. Waterway users generally will welcome the opportunities provided by the setting up of a new waterways trust. However, the hon. Member for Stoke-on-Trent Central (Tristram Hunt) made an important point when he asked what happens to existing British Waterways assets. Will they be transferred to a new waterways trust? Presumably, in this as in any other aspect of my right hon. Friend's statement, Secretaries of State for the Departments concerned will be willing to answer written parliamentary questions about the detail of such matters. The changes provide an enormous opportunity for civil society to engage in the running and maintenance of our waterways.

Mr Maude: My hon. Friend is completely right on that. Secretaries of State will indeed be willing to answer detailed questions on exactly those issues. On many of the changes, complicated questions arise on the ownership of assets and where they will end up. The public bodies Bill will provide a power by secondary legislation to deal with asset distribution, and I am confident that my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs will have heard my hon. Friend's concerns about British Waterways Board assets.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I have heard the Minister say a number of times that if something is important, Ministers ought to take decisions on it and to be accountable. In that context, does he believe that consumer protection and a consumer voice are important? If so, why has he chosen specifically to abolish Consumer Focus and to transfer its functions to Citizens Advice? The latter is a worthy organisation, but it surely has enough to do in coping with the increasing demands for advice that result directly from the Government's welfare reforms.

Mr Maude: The short point is that citizens advice bureaux carry a high degree of trust with citizens. They exist locally and are well supported, and they manage to mobilise very large amounts of voluntary activity. We must get away from the slightly outdated idea that to show that we care about something very much, we must set up a quango to express it.

Priti Patel (Witham) (Con): Will the Minister join me in welcoming the complete abolition of the Union Modernisation Fund Supervisory Board, which wasted hard-earned taxpayers' money holding secret meetings

[Priti Patel]

in expensive hotels? It effectively handed taxpayers' money to the trade unions. Will he give an assurance that he will take action to prevent such abuses of taxpayers' money from happening in again?

Mr Maude: We have not taken a decision on the future of the Union Modernisation Fund itself, but my hon. Friend raises genuine concerns about the way in which the supervisory body operated. In the previous Parliament, I asked a number of questions about the publication of its minutes, but somewhat to my surprise I discovered that no such minutes were kept. That is the epitome of unaccountability and lack of transparency, which is exactly what I am seeking to address.

Mr Kevan Jones (North Durham) (Lab): The decision to strangle at birth the chief coroners office will be viewed with dismay by many organisations, including the Royal British Legion, which campaigned for it to improve the coroners service. Can he explain why the Opposition supported the proposal during consideration of the Coroners and Justice Act 2009, but now they are in government they wish to abolish the office?

Mr Maude: In government, you have to look very carefully at the costs and accountability. Ministers have not been convinced that setting up an independent overarching body of that nature is essential to the proper delivery of this important national function.

Dr Sarah Wollaston (Totnes) (Con): I am looking forward to warming my hands in front of the bonfire of the quangos, with 192 on the flames. Can my right hon. Friend confirm how many quangos were abolished under the last Administration?

Mr Maude: I have learned to treat the claims made by the last Government with some scepticism, because they often claimed to have got rid of things, but on closer scrutiny they turned out to be merely resting, not defunct. I do not know whether this is a bonfire or, in the term used by the hon. Member for Stoke-on-Trent Central (Tristram Hunt), a damp Sunday afternoon barbecue, but we should not knock barbecues.

Mr Andrew Love (Edmonton) (Lab/Co-op): The Minister talked, both in his statement and in answer to questions, about exorbitant pay in quangos and the public sector. Would it not add force to his argument if he and his colleagues also talked about exorbitant pay in the private sector? On the transfer of employees from quangos back to the public services, I seek reassurance that their pay and conditions will be protected in that process.

Mr Maude: There is a bit of a difference between pay in the private sector and pay in the public sector—*[Interruption.]* The fact that the hon. Gentleman finds it difficult to make the distinction tells us a lot about the mentality behind the last Government. In the public sector, it is taxpayers' money that is being spent and Ministers have a responsibility to ensure that it is well spent. The fact that they did not is one of the reasons why we are now facing the scale of budget deficit that we are. The transparency that we have applied to pay in the quangos has meant that people have been shocked to find out how profligate some of the pay has been.

On the transfer of staff into the civil service, the terms and conditions will of course be transferred according to the TUPE rules, as the hon. Gentleman would expect.

Henry Smith (Crawley) (Con): In a previous existence, I was a leader of a local authority, and three things got in the way of effectiveness—an increasing lack of democratic authority; an over-burdensome inspection regime; and a lack of funding. All three of those problems often stemmed from the existence of far too many quangos. I seek an assurance from my right hon. Friend that functions presently carried out by quangos that are to be abolished will be devolved to the local level.

Mr Maude: Wherever possible, that is our preference. We believe in localism and in trusting local authorities to take responsibility for what they do. Our commitment to localism does not only mean devolving to local authorities. In the case of consumer functions, for example, we think that devolving beyond local authorities to citizens advice bureaux is potentially a better approach. However, I can confirm our preference to devolve powers to as close to the front line of where citizens use services as possible.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Does the proposal to abolish Consumer Focus and transfer its functions to citizens advice bureaux mean that in the coalition's big society a consumer and a citizen are one and the same thing?

Mr Maude: In my experience, which I agree is limited, citizens tend to be consumers and consumers tend to be citizens, so I am not absolutely certain what point the hon. Lady is trying to make.

Stephen Barclay (North East Cambridgeshire) (Con): Current legislation requires Departments to get the best possible price for Government assets such as furniture, computers and other items. As part of the big society agenda, will the Minister consider whether donations could be made or other disposal routes used to support voluntary organisations, charities and other bodies that are being squeezed at the moment and could make good use of those resources?

Mr Maude: That is an admirable suggestion, which I will take away and ponder.

Madam Deputy Speaker (Dawn Primarolo): I thank hon. Members and Ministers. A great many Members managed to ask short pithy questions on the statement and the answers were also short.

Points of Order

1.5 pm

Mr David Davis (Haltemprice and Howden) (Con): On a point of order, Madam Deputy Speaker. The last century has seen changes to this House, almost all of which have been to the advantage of the Executive and the disadvantage of Back Benchers. One change that has improved that situation has been the allowance of time for Back-Bench debates. I know that the Government's amendment on the Order Paper today has not been selected, but it would have had the effect of removing the entire motion except for the first three words, and that would be a very bad trend. Can you ask Mr Speaker to look at this issue, consider what would be appropriate in terms of amending Back-Bench motions and make it clear to both Front Benches that such debates are not a second-class Opposition day?

Madam Deputy Speaker (Dawn Primarolo): I remind the House that the amendment has not been selected and that Mr Speaker always considers carefully the question of whether to select an amendment. He takes all the relevant factors into account and I am sure that the right hon. Gentleman will be reassured that Mr Speaker will continue to do that with the vigilance that he has demonstrated to date.

The Comptroller of Her Majesty's Household (Mr Alistair Carmichael): Further to that point of order, Madam Deputy Speaker. I am grateful for your assistance on that matter, but I have had regard to the terms of page 397 of the 23rd edition of "Erskine May" and—while I would of course not seek in any way to challenge the authority of Mr Speaker or the decision that he has made in exercise of that authority today—I struggle to find a precedent for his decision not to select the Secretary of State's amendment today. I am sure that it would be of enormous assistance to the House—

Madam Deputy Speaker: Order. The hon. Gentleman is challenging the selection decisions of Mr Speaker and that is not in order. I have made it absolutely clear that Mr Speaker has taken the decision on the selection of amendments today taking into consideration all of the relevant factors, and he does not require prompting from the Front Bench on this matter.

Mr Carmichael: Further to that point of order—

Madam Deputy Speaker: It had better be further to that point of order rather than persistence in challenging the decision on selection.

Mr Carmichael: I wish to place on record beyond peradventure that I do not seek to challenge in any way the decision that has been made. I merely seek your guidance, Madam Deputy Speaker, or possibly at some later stage the guidance of Mr Speaker himself, as to what new considerations are apparently taken into account in making these decisions.

Madam Deputy Speaker: The hon. Gentleman knows full well that the selection of amendments is not discussed on the Floor of the House. They are a matter for Mr Speaker, having taken into consideration all the relevant factors, which he is perfectly capable of doing. I am sure that he will note the points that have been made today, but no further points can be made to question or challenge the decision by Mr Speaker on this matter. I intend now to make progress with the business.

BILL PRESENTED

National Insurance Contributions Bill

Presentation and First Reading (Standing Order No. 57)

Mr Chancellor of the Exchequer, supported by the Prime Minister, the Deputy Prime Minister, Secretary Vince Cable, Mr Secretary Duncan Smith, Mr Mark Prisk, Mr Mark Hoban, Mr David Gauke and Justine Greening, presented a Bill to make provision for and in connection with increasing rates of national insurance contributions and a regional secondary Class 1 contributions holiday for new businesses.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 79) with explanatory notes (Bill 79-EN).

Backbench Business

[5TH ALLOTTED DAY]

Contaminated Blood and Blood Products

Madam Deputy Speaker (Dawn Primarolo): As Members will have noticed—I shall remind the House again—Mr Speaker has not selected the amendment.

1.10 pm

Mr Geoffrey Robinson (Coventry North West) (Lab): I beg to move,

That this House recalls that the catastrophic problems of infected blood supplied by the NHS date back to the 1970s and 1980s, infecting 4,670 patients and causing what Lord Winston described as the worst treatment disaster in the history of the NHS; notes that successive administrations only very partially responded to this catastrophe by setting up and funding the MacFarlane Trust, the Skipton Fund and the Eileen Trust; regrets the past refusal to accept the principal recommendation of the Independent Public Inquiry into the supply of contaminated NHS blood to haemophilia patients, chaired by Lord Archer and established and financed by private initiative and funds, relating to compensation for the victims and set out in paragraph 6(h) of chapter 12 of the Archer Report; further notes that earlier this year the reasons for rejecting this recommendation were challenged successfully in the High Court, which quashed the decision; believes that this ruling constitutes an appropriate moment for the present Government, which bears no responsibility for the inadequate and misjudged policies of successive previous administrations, to extend an apology to the surviving 2,700 sufferers, their families and the bereaved; and calls on the Government to alleviate their intense hardship and suffering by accepting and implementing the recommendations of the Archer Report despite the intense financial pressure on the public purse at this time.

I would like to say a few things by way of preliminary background to this debate, some of which may reflect on the interchanges we have just had on the amendment. Opposition Back-Bench Members, and many Government Members, are pleased that the whole idea behind the initiative on Back-Bench business and the excellent Committee established to promote it is that Back-Bench Members should have the ability to move substantive motions on the Floor of the House on which they can vote. That is what, in effect, we have secured today. Not only would the amendment, had it been chosen, have wrecked the whole substance and heart of the motion, but it would have wrecked the intention behind the Backbench Business Committee.

I thank the Chairman of the Committee, my hon. Friend the Member for North East Derbyshire (Natascha Engel) and the hon. Member for Wellingborough (Mr Bone), both of whom were good enough, in their wisdom, to select the bid made initially by my hon. Friend the Member for Pontypridd (Owen Smith), who, of course, is now a member of the shadow Government, and is therefore unable to move the motion today. He has kindly asked me to pick up the baton, which I am honoured to do, and we therefore have the opportunity today to debate a substantive motion on the Floor of the House.

The Government have missed a huge opportunity. In drafting the motion, I placed great emphasis on making it an all-party motion reflecting the views of every Member of the House in a balanced way, and it has commanded the support of the victims of what was the "worst treatment disaster"—as it was described by Lord Winston, whose mother was, I think, terribly hurt in this way—in the history of the NHS. As the motion makes clear, the coalition Government bear no responsibility for the maladministration, the misjudgment and the inadequate judgments of previous Administrations.

Mr Jim Cunningham (Coventry South) (Lab): Does that not make it more significant that the Government, who had no responsibility for this situation, tried to move a wrecking amendment that would have totally sabotaged what my hon. Friend is trying to achieve on behalf of the people concerned?

Mr Robinson: My hon. Friend is, of course, absolutely right. I am very pleased to welcome the Secretary of State to the debate, because it gives it prominence and substance. The Backbench Business Committee has a real role to play—we have had a good debate on Afghanistan too. However, I saw the Secretary of State shake his head to say that the amendment is not a wrecking amendment. None the less, those of us who attended a meeting yesterday with the victims of blood contamination were hoping for an amendment that we could support, and he could have done something about that.

The Secretary of State bears no responsibility for what has happened. The NHS supplied contaminated blood. I will not go into individual cases, except for one in my own constituency, which I have been following ever since the victim first approached me many years ago. This goes back to the mid-1970s, to the Callaghan and Wilson Labour Governments and to the Thatcher Government, and, of course, to the subsequent response to those ill-advised, inadequate judgments, made mostly by officials or under their strong advice—clearly that is the case in these cases—from the last Government principally, although it even pre-dates them to some extent. We are not trying to blame the present coalition Government, but there are things that they could have done, the cost of which would have fallen well short of the £3 billion that will allegedly be the cost of implementing the Archer report.

As hon. Members will recall, the Archer report was set up under the Blair Government—in 1997-98, I think—at which time I was at the Treasury. People put it to me, "You were at the Treasury at the time. Why didn't you do something?" We did not have the report then. We had made papers available. It was a privately funded and excellent report, which I commend to all Members, but we did not know what it was going to recommend. Unfortunately, I left the Treasury before I was confronted with the implications of the report. However, under the last two Labour Administrations, there were ample opportunities for us to respond more fully, generously and comprehensively, in human terms, to the suffering of the victims.

This was an unparalieled disaster in NHS treatment history involving thoroughly blameless individuals. I met one yesterday—a gentleman from Doncaster—who had been knifed, rushed to the accident and emergency department at Rotherham and given two pints of blood, from which he subsequently contracted HIV/AIDS and hepatitis C. He is now totally incapacitated, and has been asked to live, after capital payments of £25,000—of great value, of course, but not enormous—on £107 a week.

The Government could have said, "Well, we know there is a problem with, for example, the Skipton Fund, so we will take some steps to move that up towards the level of what the previous Administration made available—inadequate though it was—in respect of HIV/AIDS."

Charlotte Leslie (Bristol North West) (Con): Will the hon. Gentleman give way?

Mr Robinson: In a moment, yes.

The Government could have done that, but they did not. All we now have is their sad, tragic adoption of what previous Government's did. That is a great pity, a great sadness, and does not reflect well on them. When they reflect on the matter, they will come to think that they should have handled the matter very differently.

Had the Government proposed what I have suggested, which would have cost a minimum amount—nothing like the sums talked about now—we could have voted for it and then, at 4.30 pm, when this debate ends, gone back to meet the victims in Committee Room 14 and told them that this Government have finally broken with the previous, inadequate and ill-judged consensus and reaction. We have never asked them to take responsibility. However, they could also have extended a gesture of an apology, which the victims are also looking for. Sadly, however, the Government have, in effect, done nothing but take on the same old weary mantle that we have seen for the last 20 years. They are already getting tired: they have lost their verve and the ability to respond energetically and imaginatively to situations. It is very sad.

Mr Robert Syms (Poole) (Con): Will the hon. Gentleman give way?

Mr Robinson: I promised to give way first to the hon. Member for Bristol North West (Charlotte Leslie).

Charlotte Leslie: I appreciate the tone, spirit and intended outcome of what the hon. Gentleman is trying to do. As a newcomer to the House, however, may I ask what, over the past 13 years, he did to encourage the previous Government to deliver payments I believe should have been made? At that time, the public finances were not in such a diabolical state and compensation would have been much easier to give.

Mr Robinson: Unfortunately, the hon. Lady is trying to inject a party position into this debate, which those of us who have been involved in it have tried to exclude from it. We have said that past responses were inadequate and ill-judged—it says that in the motion. I regret that we did not deal with the matter, and I like to think that had I remained at the Treasury, I could have done something. I am open about that too; we all ought to be open here. However, those who say that I, as a former Treasury Minister, should appreciate our legacy are missing the central point: there will never be a good time to do something like this. There will always be bureaucratic arguments, and precedent arguments, and arguments we cannot foresee now but which will one day be made, for why we should do nothing, and the Government have caved into them. That is the reality.

Lorraine Fullbrook (South Ribble) (Con): I am sure that the hon. Gentleman agrees that this is a horrendously tragic occurrence. Many haemophiliacs have been affected by this as well, both mentally and physically, and we need to work together and all recognise the dreadful situation that these people find themselves in.

Mr Robinson: I am pleased that the hon. Lady has joined the debate and agrees with us. Of course, haemophiliacs have also been affected. The ironic tragedy there is that the treatments given were meant to deal with the basic underlying condition of the haemophilia. I will mention the name of one victim, given that he is a constituent of mine—I am sure that many other Members will mention constituents of theirs too. Given that 4,670 initial cases were affected, and given that there are 650 constituencies, nearly every constituency must have had at least one tragic occurrence. I will therefore mention Joseph Peaty. He is a haemophiliac who went for treatment to correct his underlying condition, but because of the contaminated blood products, he acquired both HIV/AIDS and hepatitis C. He is watching this debate and looking for us to offer victims something more. There is no way we could accept the amendment.

Mrs Madeleine Moon (Bridgend) (Lab): Does my hon. Friend agree that the real tragedy, especially for haemophiliacs, is that it is not just individuals who are affected, but whole families? The condition runs in the family, so two or three family members could be affected. The fact that people are living with such stress as a result of failure of successive Governments to tackle the issue is something that this House should totally condemn. We must take a decision today, and not allow the issue to slip further down the agenda.

Mr Robinson: I agree entirely with my hon. Friend, who makes a most poignant and correct intervention, if I may say so. We had a unique opportunity. The issue had moved right up in the public's awareness. The sort of thing that we get in these debates is everybody saying how terrible it is, but then heaving a sigh of relief that they have not been affected, and on we go. The months and years drag by, and so the number comes down, from 4,600 to 2,700. Perhaps not many will be affected, but as my hon. Friend said, the nature of the diseases is that they spread, and the suffering will continue long after most of us have left this House.

Robert Flello (Stoke-on-Trent South) (Lab): I am grateful to my hon. Friend for giving way. At the end of the 1980s, I worked with someone called Colin, who had been injured abroad, had a blood transfusion and got haemophilia. He then returned to the UK for ongoing treatment, but ended up getting contaminated blood and dying from HIV at the beginning of the 1990s. It is for people such as Colin that we are here today. This is not a partisan issue; it is an issue that we should have dealt with in the past 13 years—it should have been dealt with before that—but let us deal with it now.

Mr Robinson: I am grateful for my hon. Friend's intervention, which I wholly accept and entirely agree with.

Mr Syms *rose—*

Mr George Howarth (Knowsley) (Lab) *rose—*

Mr Robinson: The hon. Member for Poole (Mr Syms) has been very persistent, so I will give way to him and then to my right hon. Friend, but if the House will forgive me, thereafter I want to get on, because we have limited time and I have agreed to keep my opening remarks to the minimum

Mr Syms: This is an important issue for so many families and people affected. I am not sure whether the motion will be agreed to today—that depends on the vote a little later—but the important thing is to make progress. The Government have said in their statement that they will undertake a review of the Archer report, which is good. However, we ought to be pressing them a little further, so that hon. Members such as the hon. Gentleman and I can be part of that review, lobbying Ministers and having meetings with them. Should he not be suggesting to those on the Treasury Bench that some of us ought to be in the Department of Health discussing the matter further?

Mr Robinson: I will give way to my right hon. Friend the Member for Knowsley (Mr Howarth) and respond to both questions immediately afterwards.

Mr George Howarth: I am grateful to my hon. Friend and congratulate him on the measured way in which he is conducting this debate. Does he agree that in every generation there are two or three major injustices that have to be addressed? They cannot always be pinned on to a given Government, but this issue is one of those injustices, and we have to put it right now.

Mr Robinson: I entirely agree with my right hon. Friend—this is indeed a good moment to do that—but sadly I disagree with the hon. Member for Poole, because we have had reviews.

In passing, let me make a positive reference to a former colleague in the Government at the time. As I understand it, the previous Secretary of State for Health—my right hon. Friend the Member for Leigh (Andy Burnham)—opened up one aspect of the issue, through the Skipton Fund in particular, although if I am wrong and the Minister wants to correct me, I should be only too happy to take an interjection from her. He did that last year to see whether there was any way of increasing Skipton to the levels of HIV/AIDS compensation—that proposal was put to me forcefully at meetings with the victims yesterday, and I am sure, that it will be again when we meet them at 4.30 pm If we could do that, it would be a step forward and we would feel that we were going in the right direction. If the Minister wants to tell me that that is the case, I would be very pleased to hear that.

The Parliamentary Under-Secretary of State for Health (Anne Milton): I have to ask the hon. Gentleman whether he has read the written ministerial statement, because at the end it points out that we will be reviewing certain aspects.

Mr Robinson: That is my whole point: "We will be reviewing." This has been going on for a year already. Who can put his hand on his heart and honestly say that anything more will come out of the review than we have already had? Nobody with any experience of this House or how Government works can say that. Today is the moment.

Anne Milton: I have to ask again whether the hon. Gentleman has read the written ministerial statement. I have said that I will look at certain aspects and I will report by Christmas, because I am acutely aware that campaigners on the issue have been left hanging for far too long.

Mr Robinson: Very good, but let me say this to the Minister, who is obviously genuinely concerned about the issue, as all Ministers have been. As my right hon. Friend the Member for Knowsley said, there are always two or three big issues, and this is certainly one of them, so we wait to hear. *[Interruption.]* The Minister should not tell us that we have not read the statement; we spent all yesterday trying to get a copy of the amendment, which seemed to be in the ether somewhere. Indeed, I asked her to e-mail me a copy yesterday at about 6 pm, but we could not see it even then. I have referred to the statement, which I think is useless, but why is it not referred to in the wording that is before the House? She did not want it there because it would carry more weight.

Mr Steve Brine (Winchester) (Con): If the hon. Gentleman has read the ministerial statement, before coming here and pouring scorn on the Front Bench, can he say which of the recommendations in the statement he agrees with?

Mr Robinson: I am not terribly interested in a statement in the Commons Library; I am interested in what is said—*[Interruption.]* I will tell hon. Members why: we have been through that already. It was clear what was said at questions—*[Interruption.]* I am amazed that hon. Members can behave like that. Do they not realise that it is what is said at the Dispatch Box that counts, and that what counts is what the Government are prepared to do? We have had umpteen statements about reviews, and so have the victims. I invite the hon. Gentleman and the Minister to join me immediately after this debate, at 4.30 pm, in Committee Room 14 to meet the victims and see what reaction they get. Let us just see. Let him wave his hands at them and say, "We're going to review this." The victims want closure. They are fed up: they have been sentenced to long, lingering and wretched death sentences by successive Administrations.

This Government had an opportunity to make a new start and bring closure to this great human tragedy, but they have refused to do so. For that reason, we are very pleased indeed—I am particularly pleased, as the mover of the motion—that Mr Speaker has called the motion and that we can vote on it. I urge Government Members to vote with us, in an attempt to shame all those, in all parts of the House, who have had sufferers in their constituencies, yet will not stand with us in this important Division. We will therefore press the motion to a vote in due course, and I hope that all Members present will vote for it.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. May I remind hon. Members that Mr Speaker has set a time limit on speeches of five minutes? That does not mean that every Member has to take all their five minutes. Some 24 or more Members wish to participate in this important

debate, so I ask you all to help your colleagues out by making your points succinctly, so that we can get in as many speakers as possible.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): On a point of order, Madam Deputy Speaker. Will you confirm that if Members take interventions during those five minutes, they will be given penalty time?

Madam Deputy Speaker: I can confirm that the normal procedure for interventions and compensation time apply to those five minutes. I hope that that is clear.

1.28 pm

Mr Stephen Dorrell (Charnwood) (Con): I congratulate the hon. Member for Coventry North West (Mr Robinson) on bringing this important, sensitive and emotive issue before the House. I congratulate him also on the tone—until perhaps the last couple of minutes of his speech—in which he moved the motion. He was absolutely right that this is not a question of the coalition defending its record; it is a question of the hon. Gentleman bringing a substantive proposition before the House for it to decide on.

In those circumstances, I would suggest to the hon. Gentleman and the House that it is more than usually important that Members who vote on the motion understand precisely what its implications are. He had a lot to say—all of which I agree with—about the human tragedy, the system failure and the slow response of successive Governments over 25 years. That is not in dispute. Sadly, however, I shall not be supporting the hon. Gentleman in the Lobby, because of the part of the motion that says that this House

"regrets the past refusal to accept the principal recommendation of the Independent Public Inquiry...relating to compensation for the victims and set out in paragraph 6(h)...of the"

inquiry report.

What the hon. Gentleman describes as the "principal recommendation" of the report is at the heart of the motion. The House must therefore understand precisely what that recommendation says, which is:

"We suggest that payments should be at least the equivalent of those payable under the Scheme which applies at any time in Ireland."

Let us be clear what has actually happened in the evolution of policy on this subject. The previous Government accepted many of the other recommendations in the Archer report, but they explicitly refused to accept the recommendation that the compensation payments should be aligned with at least the level payable in Ireland. We are advised by the Government that payments at such a level would cost the Treasury about £3 billion. There is no controversy around the history of these matters or the emotion involved, or about how we got to where we are, but the House is being asked to accept that we should commit the Government to spending £3 billion on aligning our compensation payments with those currently payable in Ireland.

Mr Robinson: We set out the motion in those terms because that was very much what the victims wanted. However, the Government had the opportunity to respond with a constructive amendment, rather than a wrecking amendment that has no substance and takes not a single step towards our aims, even in relation to the Skipton Fund. We cannot accept that. We wanted a good amendment that we could vote for and unite around, so that the motion could have stood, as amended, in a progressive way that would have allowed us to step forward. Because the Government did not give us such an amendment, however, we are back where we were. We could not, in all honesty, let the victims down, which is why I was forced to move the motion as it stands.

Mr Dorrell: I understand the hon. Gentleman's point. It is not for me to comment on the way in which the negotiations between him and the Government proceeded, but unfortunately, that is not the question on which the House is being asked to decide. I return to the proposition that today is different from normal political days in the House, because the House is being asked to make a decision. It is being asked to decide whether the Government should be committed to align compensation payments with those currently payable in Ireland, and I do not agree with that proposition. I shall vote against it—albeit with a heavy heart, because I accept much of what the hon. Gentleman has said about the context and the history of these matters. The motion is not about the context and the history, however; it is about what happens next. In the week before the comprehensive spending review, it would not be sensible to agree to the commitment of £3 billion to align our arrangements with those in Ireland.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): Does the right hon. Gentleman, with all his ministerial experience, accept that the House—individual Back Benchers and Ministers—is being asked to consider the human impact and the ways in which that can be alleviated? Individuals and families have been devastated by the impact of contaminated blood—not only the medical impact but the social impact and the undermining of family confidence. Can we focus on that in coming to a decision in the debate?

Mr Dorrell: I absolutely agree with a huge amount of what the right hon. Gentleman says. That is why I believe that the proposal made by my hon. Friend the Minister offers a sensible way forward. I said earlier that I agreed with much of what the hon. Member for Coventry North West said, until he got to the last couple of minutes of his speech, when the Minister asked him whether he was prepared to sign up to the terms of reference of what the Government propose to do if, as I hope, the House rejects his motion. The Government are proposing to set up not a committee to think about this matter in the abstract, but a specific inquiry to report before the end of the year. The inquiry will review

"the level of ex gratia payments made to those affected by hepatitis C"

and—this will answer the point raised earlier—take into account the comparison with ex-gratia payments made in the UK to those infected with HIV. It will also review

"the mechanisms by which all ex-gratia payments are made",

which was a specific recommendation in the Archer report. It will consider the provision for insurance—which has also been widely discussed in this context—and the issue of prescription charging, which Archer also recommended. It will also review the provision of and access to

"nursing and other care services in the community"

for those affected.

[Mr Dorrell]

I assume that Government are not asking the House to reject the motion and simply carry on as though nothing had happened; I certainly will not do so. We all accept the context, but I would ask the House to consider carefully whether, instead of committing £3 billion to aligning our payments with those of Ireland, a better proposal would be to set up the review that the Minister recommends in her written statement, with the terms of reference that I have just outlined, in order better to meet the pressures that the hon. Member for Coventry North West rightly says are a human tragedy to which the House should respond.

1.36 pm

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I have a great regard for the right hon. Member for Charnwood (Mr Dorrell), but if there had been an alternative to the motion tabled by my hon. Friend the Member for Coventry North West (Mr Robinson), that would have been helpful to us in the debate.

Mr Geoffrey Robinson: On that point, if the Government intend to do what they have outlined in their written statement, why did they not table an amendment to that effect? Why did they squirrel the information away in a statement in the Library? The right hon. Member for Charnwood (Mr Dorrell) is long enough in the tooth to know that they have not deliberately done it like this, but had they tabled such an amendment, incorporating their statement, we would have been very inclined to vote for it—

Madam Deputy Speaker: Order. Interventions must be interventions; the hon. Gentleman must not make another speech.

Mr Clarke: I feel that there ought to be more humility on both sides of the House as we debate this matter, and I hope that I shall be able to exercise some myself. This issue has not been properly dealt with by Governments of all shades for a quarter of a century. It is amazing, but this is our first debate on the subject in a quarter of a century. I welcome the debate, and as the motion tabled by my hon. Friend the Member for Coventry North West is the only practical proposal before the House, I shall take pride in voting for it. I have held a number of responsibilities myself, including that of shadow spokesperson on disability. The hon. Member for Bristol North West (Charlotte Leslie) asked earlier what had been done so far, and the answer is: not enough.

Mr Andrew Turner (Isle of Wight) (Con): Does the right hon. Gentleman recognise that this Government came into office only about five months ago, and that they are trying to get a lot of things sorted out? I am not blaming the right hon. Gentleman, but I am trying to explain what is happening. To wait for two or three months longer for this important decision is a small price to pay, and I do not understand why he and the hon. Member for Coventry North West are worried about waiting for three months, because that is the difference between the proposal in the motion and what the Government are proposing.

Mr Clarke: Indeed, a lot of people in the Haemophilia Society and other supporters of my hon. Friend the Member for Coventry North West are genuinely looking forward to what the Under-Secretary of State for Health, the hon. Member for Guildford (Anne Milton) is going to offer them before Christmas.

That said, I want to go on to talk about one of my constituents, with whom I had a discussion yesterday. The House has to accept its responsibilities on these matters, including its responsibilities for delay after delay, even though evidence has been available. We have not given a response to the people who are suffering very gravely. We are talking about a number of people dying, families bereft of their members and the impact of not having acted previously. There is the issue of not having proper regard to the blood we are using. Then there is the use of American blood from we know not where, and now the decision taken not to use UK blood because we think there might be an element leading to new variant CJD. Frankly, a degree of incompetence is evident, which people interested in our debate will find hugely unacceptable.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): My right hon. Friend talked about American blood from we know not where. The tragedy is that we do know where much of it came from. It was from paid donors, many of whom were prisoners and drug addicts, leading to consequences about which we all now know.

Mr Clarke: I am grateful for my hon. Friend's intervention.

The kind of information that we have—and we have had interventions year after year—in terms of giving us the facts and the evidence, quite apart from what our constituents are drawing to our attention, was embraced in Lord Archer's report, to which the motion refers. That report, which I very much welcome, led to Lord Morris of Manchester—both our noble Friends have done a commendable job in bringing these issues to our attention—attempting to deal with the problem through legislation. A Bill came to this House at the beginning of this year, but where did it go? Nowhere.

That brings me to what this issue means for our constituents. I spoke yesterday to a man in my constituency—I will not name him—who is now 36. He described the bizarre experiences of his case. He talked about the secrecy surrounding these matters. The excellent Yorkhill hospital in Glasgow has a very good reputation, but a large number of papers pertaining to it have simply gone missing. My constituent talked about the stigma of having hepatitis C; he had been told for many years that he did not have hepatitis A or B, and was lucky not to have AIDS. His doctor withheld information on his particular case for more than a year. He told me only yesterday what the real problems were—for example, the difficulty of getting life insurance and a mortgage for himself and his partner.

Nia Griffith (Llanelli) (Lab): Will my right hon. Friend give way?

Mr Clarke: I am sorry, I do not have time.

My constituent also talked about the increased premium he faced in getting travel insurance. People are clearly being penalised again and again because they had the

misfortune to find themselves with this condition of haemophilia and then found, as they approached the national health service, that their condition was made unacceptably worse.

I want to thank the organisations that have helped. With particular reference to Scotland, I want to thank Mr Philip Nolan, who spent several hours with my constituent and me, and who, it seems to me, has been in London almost every week for years, preaching to us the necessity to act.

My constituent referred yesterday to the position in Northern Ireland. I do not want to open up yet another party political debate, but the truth of the matter is that even with its economic difficulties, Ireland—if I said Northern Ireland yesterday, I should have said Ireland—has not abandoned its scheme.

Mr David Davis (Haltemprice and Howden) (Con) *rose—*

Mr Clarke: I am sorry, but I do not have enough time to give way.

If the scheme means getting earlier acceptance on to the waiting list and getting problems recognised, and if our constituents should not be doubly penalised for something that is not their fault, I am with my constituent in saying that justice delayed is justice denied—and we have denied justice for far too long. Today provides us with an opportunity to put that right.

1.44 pm

Jenny Willott (Cardiff Central) (LD): It is good to have this debate today on an issue that I worked on throughout the last Parliament. Last year we managed to secure an Adjournment debate on the subject in Westminster Hall, but we have sought a debate in this Chamber for a very long time. I believe that the last debate on this issue was in 1990, and much has changed since then. A great deal has already been said about the figures. The hon. Member for Coventry North West (Mr Robinson) talked about how many people have been affected: 1,200 infected with HIV, 4,670 infected with hepatitis C, and so far more than 1,800 people have died.

I got involved because of the human side to the issue, and I would like to pay tribute to my constituent, Haydn Lewis, an absolute stalwart of the campaign. He was one those infected, and he had hepatitis B, hepatitis C and HIV, and was lately told that he was potentially exposed to variant Creutzfeldt-Jakob disease as a result of the contaminated blood products that he had been given. He finally developed liver cancer because of the hepatitis C, and tragically, he died this summer, after spending 20-odd years campaigning on behalf of the people who had been infected. He was a superb campaigner. He galvanised people across the country. He came to the most recent lobby earlier this year, even though he was extremely ill. He also did a huge amount of research into what happened in the '70s and the '80s. He came to see me almost as soon as I was elected to try to get me involved in the campaign.

As has already been said, it should be made clear that this is not a party political issue. This has happened under Governments of all colours and all Governments did something, but in my opinion we still have a long way to go. I am really glad that the Government have announced their intention to review some of Archer's recommendations. That is good news.

Adam Afriyie (Windsor) (Con): My constituent Sarah Vergopoulos came to see me when her brother died because of infected blood just last year. She was most concerned to ensure that something would actually happen as a result of this debate. It seems to me that this debate—I commend the Backbench Business Committee on it—has already been a success, because something has already happened. The review has been announced and a timeline has been given to ensure that something will come forward this side of Christmas. I can thus report back to my constituent that just by holding this debate, something has already moved, which might not have moved without it.

Jenny Willott: The hon. Gentleman is correct. This debate on the Floor of the House is something for which many of those affected have called for a number of years. For them, it is important that that has been recognised and that Ministers are now listening to Members of all parties expressing their views.

Mr David Davis: Like the hon. Lady, I would have liked the debate to be less partisan than it has been so far. Her example highlights what a tragedy this has been and what an injustice has been committed. Although we are in the midst of a massive financial crisis, we should all recognise that tragedies and injustices like this deserve priority in spending terms over everything else.

Jenny Willott: I agree with the right hon. Gentleman. I am disappointed that, as was announced in the statement earlier today, not all the recommendations will be reviewed.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Does my hon. Friend welcome the fact—I hope that the Minister will expand on it—that the issue of compensation for the hepatitis C victims will be addressed, as that seems to be a very important part of the case?

Jenny Willott: Indeed, and I was just coming to that point. As Members will be aware, the previous Government lost a judicial review in April when Lord Archer's recommendations for increasing compensation in line with payments in Ireland seemed to be rejected out of hand. My concern is that today's statement appears to do something similar, so I am somewhat disappointed at the wording of it.

Nia Griffith: Will the hon. Lady give way?

Jenny Willott: I will, but for the final time.

Nia Griffith: I commend the hon. Lady for the excellent work she has done, including the Adjournment debate that she mentioned, which I too attended. I also commend her for lobbying Ministers. Does she agree that what she really wants is some firm commitment from the Government Front-Bench team—something concrete that she can go home with, rather than having to push things back again and again, as has happened in the past?

Jenny Willott: The fact that we have a deadline of Christmas for the report is very helpful. That is not too far away, and a concrete date has been specified. I hope that the Minister will ensure that we get the response by that time, and that if given the chance later, she will speak further on that subject.

[Jenny Willott]

The time that this process is taking is clearly a major issue. Given that it has taken more than 20 years even to hold an inquiry, the least the victims deserve is for the recommendations to be considered seriously, even those that would be expensive to implement. Lord Archer made a number of sensible and important recommendations, and although many have been implemented, a number still need to be acted on. Some would be expensive to implement, but others would not. Improved compensation is clearly the most controversial, and I appreciate that in the current financial climate the Government will find it hard to deal with, but, as was pointed out by my hon. Friend the Member for West Aberdeenshire and Kincardine (Sir Robert Smith), other issues, too, have not been considered properly so far. For instance, patients with hepatitis C are treated differently from, and worse than, those with HIV. That simply is not fair. The widows of those who died before August 2003 receive nothing, and that is not fair either. Those who are infected cannot obtain insurance, which has massive implications for their lives.

Mr Gordon Marsden (Blackpool South) (Lab): The hon. Lady has been very generous in giving way. I do not wish to be partisan, but do not some elements of the statement give us pause? It refers to access to insurance. "Access" is a very vague word. It is not just a question of access; as constituents have pointed out to me, it is a question of provision as well. Does the hon. Lady agree that the Government need to be much clearer about that in the terms of reference?

Jenny Willott: I hope that they are clear about it both in the terms of reference and in the final review and announcement. Although the issue is not particularly glamorous, and is fairly complicated and difficult for people to understand, it has massive implications for day-to-day life, and it really does need to be dealt with sooner rather than later.

The victims of the tragedy were infected more than 20 years ago. This has gone on for a very long time. Year by year we are losing those victims: people such as Haydn are, tragically, passing away each year. We cannot let this drag on any longer. Being a politician is about standing up and representing people who cannot represent themselves. Haydn can no longer represent himself, and many other people who are affected by this are no longer able to speak for themselves. It is our job to stand up and do the right thing, and I hope very much that we can do that today.

1.52 pm

Paul Goggins (Wythenshawe and Sale East) (Lab): I pay tribute to the hon. Member for Cardiff Central (Jenny Willott), both for her work and for her speech, and I join my hon. Friend the Member for Coventry North West (Mr Robinson) in paying tribute to Lord Archer for his report—and also to Lord Morris of Manchester, who was my predecessor as Member of Parliament for Manchester, Wythenshawe, and has done so much work on this and many other issues.

Much of my understanding of this issue comes from the experience of three of my constituents: Peter Mossman, Fred Bates and Fred's wife Eleanor. I pay tribute to their resilience and determination. Peter discovered that he was a mild haemophiliac in 1976. One day in 1985 he came home from work with bruising on his leg. He went to hospital, where he was treated with contaminated blood and infected with hepatitis C. What resulted immediately was a desperate illness followed by, in the longer term, worsening bleeds and severe liver damage.

Fred was also a mild haemophiliac, although his condition is now severe. He has never been able to identify precisely when he became infected with hepatitis C, although it is certain that, although tests were carried out throughout the 1980s that would have confirmed his condition, he was never told. Only after the chance reading of a leaflet in 1993 did he ask whether he was infected, and he was finally told the truth. He was then told to go home, and that there was nothing to worry about. Life for Fred means often feeling extremely cold. He suffers from severe bleeding, and now has cirrhosis of the liver. For Eleanor, life means not only supporting Fred and enduring severe financial hardship, but having to live for years unaware of the risks that she faced to her own health because Fred had never been told the truth about his condition.

What Peter, Fred and Eleanor find hardest to bear is covered in chapter 7 of Lord Archer's report—namely that doctors knew about the risks involved in treating patients with blood products, but failed to inform them. There is no doubt that Fred and Peter, who were both mild haemophiliacs, would never have consented to treatment with contaminated blood products which carried a high risk of infection with HIV and hepatitis C. However, it is not only the doctors who failed to explain the dangers. It seems to me, and indeed to all of us, that the whole health system was caught up in what amounts to a conspiracy of silence.

I have a copy of a letter dated 31 July 1981 from a member of staff in the Department of Health and Social Security to an official in the Treasury. The letter is headed "Blood products laboratory—redevelopment". It states, among other things, that

> "health authorities are obliged to supplement supplies from BPL with expensive and, because of the hepatitis risk, less safe imported commercial blood products at a cost of up to £10m annually."

People at the top of the DHSS knew the risks, but patients were not informed, and four years after that letter was written, my constituent Peter Mossman was infected with hepatitis C.

Mr Wayne David (Caerphilly) (Lab): Is my right hon. Friend aware that it has been estimated that as many as 90% of haemophiliacs who were treated with blood in the 1970s and 1980s have at least one life-threatening disease?

Paul Goggins: I am aware of that. What I am trying to emphasise is that if my constituents, and indeed many others, had been given proper information, they would have been able to make a balanced decision about the risks that they faced.

We all have constituents who will have their own stories, and as a result of the Archer report we now have a definite analysis of what went wrong. The great thing about the report, however, is that it points the way forward. It is now a case of what we can do to support

those who survive in the circumstances in which they find themselves, and I believe that we need to do at least four things.

First, there needs to be an apology. I know that some people feel that an apology is just words and is therefore meaningless, but in June this year the Prime Minister proved from the Dispatch Box that that is not the case when he gave an unequivocal apology to the families of Derry for what had occurred on 30 January 1972. That apology means a lot to those families, and it is enabling them to move forward. I believe that haemophiliacs infected with hepatitis C and HIV deserve no less.

Secondly, there must be proper financial recompense. There is a debate about that. Archer recommends equivalence with the Irish scheme, but the Government ruled that out today, and are to institute a review instead. Whatever the outcome of that review, it must be demonstrably fair to those who have been affected. There must be a level playing field between those infected with, respectively, hepatitis C and HIV. Thirdly, there must be no impact on benefit entitlement: any recompense must be over and above the benefit payments that people receive.

Charlotte Leslie: I want to pay tribute to my constituent Bob Purnell, who died, his son Edward, and his wife Gill. I also want to dispel any misunderstanding that there may have been about the debate's being partisan. I welcome it very much.

I think we all appreciate that the Government are in a difficult position because of the financial situation. Does the right hon. Gentleman agree that if we cannot make the payments that I think we would all like to make to victims who have suffered greatly, it might be possible to increase payments in future as the economic situation becomes more viable?

Paul Goggins: I am pleased that the hon. Lady has had an opportunity to mention and pay tribute to her constituent. There may be an argument for staging payments over time, but the Government must be clear about the award and the level of compensation at the outset.

Finally, the whole social care and health system must become much more sensitive to the needs of those who were caught up in this tragedy. There must be more sympathetic treatment for those who have been infected and their carers.

I regret the fact that we were not able to do more over the past 13 years to support and assist this particular group. I want to compliment the Minister, because I know from conversations that I have had and from things that I have read that she has gained a fair amount of confidence from those who were caught up in the tragedy, and from members of the haemophiliac community. My guess is that her experience of the health service, along with her own personal qualities, has led her to want to deal with the situation and, in her own words, to get closure before the end of the year. Let me say to her that having come so far so quickly, she now carries a huge burden of responsibility to ensure that the solution that she comes up with retains that confidence, and does not further dash the hopes of a community who have been so badly let down in the past.

2 pm

Caroline Nokes (Romsey and Southampton North) (Con): I thank the hon. Member for Coventry North West (Mr Robinson) for opening this debate and all the Members who have spoken in it thus far. Many of them mentioned by name constituents who have suffered as a result of receiving contaminated blood products, but on Monday I received a visit from a constituent who specifically did not wish to be named because she still feels that she suffers a stigma as a result of having hepatitis C. She does not want it talked about and she is embarrassed, but it is not just she who suffers; so, too, does her son.

There is never a good time to get a Government to commit to significant spending, but this is a new Parliament with a bright, shiny new Government and we should celebrate the fact that we finally have the opportunity to hold this debate on the Floor of the House of Commons some 20 years after the subject under discussion became an issue.

Not many people in Romsey and Southampton North have been infected as a result of having received contaminated blood products, but a handful have, and it is tragic to hear some of them say that although they would like to be present today they do not feel they can afford the train fare to come to London. Indeed, even those who have travelled have welcomed the fact that the debate is being held in the afternoon so they do not have to pay peak-time train fares to attend it.

I wish to make a specific point to the Minister, but let me first say that I welcome parts of the written statement, because elements of it represent progress, and the people in the Public Gallery who have travelled here today want to see progress on this issue. They do not want a partisan row to develop on the Floor of the House; they want us to make moves in the right direction.

One constituent who came to see me made some points about insurance. She and her family find it difficult to enjoy a family holiday because it is hard for them to get travel insurance. There are similar difficulties with life insurance and mortgages, and therefore it can be hard for people to buy their own property and have the security that that provides. I therefore welcome the parts of the statement that make reference to insurance because it is important.

The specific point I wish to make is about dentistry. It may not be particularly widely known that hepatitis C sufferers frequently have significant problems with gum disease. A constituent of mine therefore wanted to have easier access to NHS dentistry. I hope the Minister will take that point on board, and be prepared to make some sort of dentistry provision in future.

My constituents are not greedy people. Both those who have travelled here today and those who have not have stressed to me that they wish there to be fair compensation, and that they wish to have help from this Government. They do not wish to apportion blame because there has not been any progress over the past 20 years. What they want is progress now.

2.2 pm

Steve Rotheram (Liverpool, Walton) (Lab): Appropriately, I am wearing a black tie today both to acknowledge the fact that many people have died because of contaminated blood products before they had the opportunity to see a

[Steve Rotheram]

full debate on the subject in this Chamber, and to pay respects to a constituent of mine, James McVey, who died tragically at the weekend at the age of just 18. His death is not related to this issue, but I am sure that all Members on both sides of the House would want to join me in sending our condolences to his family and friends.

I thank the Backbench Business Committee for bringing this long-neglected issue firmly back on to the political agenda. It is to our great shame that it is necessary to have a debate on it so long after the original events, and it is an indictment of previous Administrations that many of the issues surrounding the contaminated blood disaster remain unresolved to this day.

The case for making adequate reparations to the victims and their families has been eloquently made both today and on previous occasions in this House and in the other place. However, I have never heard a more stirring description of the tragedy and its effects on individual lives than the emotional personal account of one young gentleman in Committee Room 7 yesterday. His words will stay with me for a very long time.

David T. C. Davies (Monmouth) (Con): In common with many other speakers, the hon. Gentleman is making a powerful case for compensation, and I think all Members have sympathy with that. However, given the pain being caused by the £1 billion saved by getting rid of child benefit for higher rate taxpayers, where does he think that £3 billion will come from? Does he have the courage to tell the House which budget we should cut to pay that compensation?

Steve Rotheram: I am being encouraged to make a party political point, but as my mum used to say, "Two wrongs don't make a right," and, believe me, if I were sitting on the Government Benches now I would be saying exactly the same thing. On this issue, it does not matter what political party we are in.

The NHS failed almost 5,000 people. Through using contaminated blood and blood products, it made ill people more ill, sometimes fatally so. It made perfectly healthy individuals—accident victims requiring blood transfusions, for example—unwell for life. Indeed, as many have said this fiasco was, in Lord Winston's words,

"the worst treatment disaster in the history of the NHS".

The state should have gone out of its way decades ago to compensate victims financially and in kind, not only to accept responsibility, but proactively to alleviate the adverse impact of its mistakes. Instead, successive Governments have prevaricated; they have been reluctant to acknowledge fault and loth to carry the can financially.

Sajid Javid (Bromsgrove) (Con): Constituents of mine, such as a gentleman, whom I will not name, who contracted both HIV and hepatitis C at the age of five, have made it clear that they do not want Members to consider the issue on a party political basis, and I welcome the fact that the hon. Gentleman is reflecting that wish in his tone. It is incumbent on every Member to put party politics aside and to do all we can to ensure that this matter is treated as a top priority, while also taking into account the constraints on the state.

Steve Rotheram: I absolutely agree, and the hon. Member for Colne Valley (Jason McCartney) agrees with our view as well. He said:

"It really is time that as a Country, as a government (and forget whatever Party it is), we should now take responsibility for this. It's a completely shocking scandal."

Let me tell Members about what happened to a constituent of mine, Mr Christopher Munn. In 1981, he was mugged and stabbed. He received a blood transfusion and contracted hepatitis C. For years, Mr Munn fought for recognition, support and compensation but, unable to afford legal representation, he found himself led a merry dance, and was swatted away like some bothersome pest. An initial application to the Skipton Fund was rejected but, thankfully, on appeal, some 25 years after being infected he was awarded a few thousand pounds. Now, £25,000 or £45,000 is no small sum, but if we do the maths it quickly becomes apparent how risible that amount actually is when spread over 25 years and more.

This issue is largely about the money of course. Many victims, severely debilitated by conditions developed as a direct result of contaminated blood, have been struggling to meet their medical needs, let alone achieve a comfortable standard of living. However, the issue is also about the need for acknowledgement. Victims need the state to accept unreservedly and unconditionally its responsibility for their plight, and to meet its moral obligations. For the NHS and, by extension, the current Government to retain their integrity, they must make amends. To those who have challenged Labour Members with comments such as, "But what did your Government do about it?", my answer is very simple: not enough.

Penny Mordaunt (Portsmouth North) (Con): Will the hon. Gentleman give way?

Steve Rotheram: No, as I am conscious of time.

The bottom line is that successive Governments irrespective of their political persuasion hesitated over investing resources and setting precedents. They were all equally culpable in failing the victims, but rather than bang on about who did or did not do what and when, let us finally seize the opportunity to right a terrible wrong.

I fully appreciate that money is tight, but morality is absolute, not some relative concept that expands and contracts to suit circumstances. We cannot as a society be more moral in good times than in bad. The Government have spoken about compassion and fairness and "the caring society". They have no option but to put their money where their mouth is in order to put right a decade-old wrong.

2.10 pm

Rehman Chishti (Gillingham and Rainham) (Con): I thank the Backbench Business Committee for tabling this motion, because it is vital that such important, tragic and sensitive issues get debated on the Floor of the House. I welcome the statement by the Minister, because over a number of years those affected by this problem have gone on a rollercoaster journey. That is because in recent years the Archer report has been published, the Government have taken a position and a judicial review has been undertaken, and now we have reached a point where a Government are saying, "Within

five months a review will take place and within three months we will come back with a position." If that review can be carried out earlier than the end of the year, I ask the Minister to ensure that it is, because time is running out for some of the victims of this tragedy.

I wish to discuss the case of the father of one of my constituents, who suffered from a rare form of haemophilia. In 1984, he cut his finger while working, was given factor VIII to clot the blood and, as a result, has suffered from HIV and hepatitis C. It was not until four years later, when different blood samples were taken away and different analysis was done, that he was told that he had hepatitis and HIV. He then had to tell his wife, but at that point he was not given any specific counselling—not only between 1984 and 1989, but to this very day, no specific counselling has been given to him, and that must urgently be reviewed.

On the funding comparison with Ireland, from 1989 until today, this individual has received £78,000 in total compensation over a number of years, with £6,400 per rota. At one stage, after the Archer report, he was given £12,800. For the same period, someone in Ireland would have received a lump sum of £200,000. It is not the case that people simply want compensation; this is about the family. He feels that a lump sum gives security; if something happens he can leave some money for his family. He feels that if we cannot have comparability, he would very much appreciate having some measures that go towards it.

Dr John Pugh (Southport) (LD): The hon. Gentleman mentions compensation and the difference between the situation in this country and that in Ireland—reference has been made to that several times. However, there is another huge difference: no UK Government have acknowledged negligence liability yet.

Rehman Chishti: The hon. Gentleman is absolutely right to say that there is the question of liability, and I understand that it was dealt with at the judicial review, when the High Court addressed it. In Ireland, the issue of fault was raised.

Mark Durkan (Foyle) (SDLP): The previous Government retold the fiction several times that the compensation scheme in Ireland rested on the finding of liability, but that scheme existed in Ireland before the finding of liability, be it by either the Finlay or Lindsay tribunals.

Rehman Chishti: I am grateful to the hon. Gentleman for that. The point that I was making about the Government and clarification related to the judicial review, which examined that very matter.

The other point I wish to make has been touched on eloquently by other Members. Since 1989, this individual has not been able to go on holiday, because of problems with travel and life insurance. Those matters must be dealt with swiftly, given the length of time left for him to live, so that he can enjoy that time with his family. I welcome the fact that he can be here to sit in the Public Gallery in this House to hear this debate.

Finally, I urge the Minister to provide specific counselling for those people who have suffered from this tragedy. I thank you, Madam Deputy Speaker, for allowing me to speak and the Backbench Business Committee for bringing this motion to the Floor of the House.

2.14 pm

Mr Andy Slaughter (Hammersmith) (Lab): I wish to say a few words about my constituent, Andrew March, who is a victim of contaminated blood. He is not only a remarkable man and campaigner; he is the reason we are talking about this today, because he was the claimant in the judicial review that led to the written ministerial statement. That statement was correctly attacked by my hon. Friend the Member for Coventry North West (Mr Robinson) today.

I am new to Mr March, in the sense that he has been a constituent of mine since May, as he lives in the Hammersmith and Fulham part of the constituency that I inherited. However, I have caught up quickly with what he has been doing over many years and decades. The easiest way for me to summarise his predicament and what he has done is to read from a letter that he sent to me on 23 July. He said:

"I was one of the young children at the time of the AIDS outbreak, and I had to cope with being told that I had HIV at the age of 9. It was extremely difficult to deal with back then and the devastation was compounded by the stigma. Before that, I had already been ill from Hepatitis B, again, from blood products because of my haemophilia condition. By 1992, whilst I was studying at the Royal College of Music on a 4-year degree, I was informed that I had also been exposed to hepatitis C, and only 5 years later, I was given another blow when I was informed that I had been exposed to two batches of Factor VIII blood products taken from a donor who later went on to develop vCJD. I had been treated with over 110 bottles of this vCJD-implicated material being injected directly into my bloodstream."

Lorraine Fullbrook: Does the hon. Gentleman agree that this very debate helps to raise awareness of those people suffering from hepatitis C contracted from contaminated blood products and helps to remove the stigma attached to hepatitis C? I am thinking of people such as a constituent of mine, who wishes not to be named but is suffering from hepatitis C1a, which is the severest form of hepatitis.

Mr Slaughter: I think that this debate does do that, and I am grateful for this opportunity to increase my own knowledge. However, I think that we need to move on to some very specific recommendations because, as the mover of the motion eloquently said, this is a time for action more than contemplation. That is exactly what Mr March did when he brought the judicial review in April, and the matter has been just been clarified, as my hon. Friend the Member for Foyle (Mark Durkan) described, in relation to the mistake that the previous Government made on the situation in Ireland. That was the error made by that Government. That was the finding of the judicial review, and it is what the Government are responding to today.

I shall not read from the judicial review, other than to quote its final paragraphs, because they again relate to Mr March. The learned judge, Mr Justice Holman, said that counsel for the claimant

"paid a warm but measured tribute to...Andrew March, 'for his tenacity and balance in the asking of questions and soliciting of information, and not taking no for an answer when the reasons are not good ones.' My impression is that that tribute is justified and well judged, and that the many other people interested in this cause owe gratitude to Mr March for his tenacity or persistence."

I say again that Mr March has done that for many years, suffering as he did not only from his original medical condition but from the effects of the contamination.

[Mr Slaughter]

Taintedblood, an organisation that has done a lot of excellent work in briefing us all and preparing us for this debate, states:

"The Under-Secretary of State for Health"—

the hon. Member for Guildford (Anne Milton)—

"recently held a series of meetings with campaigners, the Haemophilia Society, the Macfarlane and Eileen Trusts, the Skipton Fund and others. In those meetings she demonstrated a new willingness by Government to face up to and deal with what has happened to the Haemophilia Community."

Those organisations must be very disappointed today by the amendment that the Government attempted to move and by the written ministerial statement.

I welcome what is said in the terms of reference about hepatitis C, as has been mentioned. I want to clarify whether the Minister is offering full parity for hepatitis C sufferers with what AIDS sufferers experience, including the £12,800 per annum payments, and that that will be susceptible to the review.

Mr Marcus Jones (Nuneaton) (Con): The constituent whom the hon. Gentleman mentioned is the son of one of my constituents in Nuneaton. I want to mention the families of those affected by this disaster, because they have also had to bear a real burden in supporting people such as Mr March over the years. Does the hon. Gentleman welcome the terms of reference that the Minister announced in her statement about supporting the families who have had to bear that burden?

Mr Slaughter: No, I definitely do not. I ask the Minister to clarify—if not now, when she makes her speech—whether the terms of reference will allow hepatitis C sufferers to be treated at least as HIV/AIDS sufferers are under the current scheme. I hope that she will do that. However, all that could have been done today. The limited amount that is offered in the review could quite easily have been announced today. If there had to be a review, I should have liked it to have been along the terms of Lord Morris's Bill, which considered all the remaining provisions of the Archer inquiry and said specifically—this is the contentious part:

"When making the regulations the Secretary of State shall have regard to any comparable compensation schemes offered in other countries."

The noble Lord's Bill was a good Bill, but I would say—this is the only criticism that I would make of my hon. Friend the Member for Coventry North West—that I think today's motion goes a little too far. It calls specifically for parity with the scheme in Ireland. I do not think that it gives the Government sufficient room. I would ask the Government—this is the commitment that I would look for today—to widen the terms of the review and to reconsider all the matters that Lord Archer raised, including compensation. Even if the conclusion is that parity is unlikely with Ireland, where the situation is different even given the judicial review—that was suggested in the opening speeches—in the current financial climate we need to look at the levels of compensation that are paid.

I also think that the motion, while criticising previous Governments, could at least have acknowledged that the previous Government responded to the Archer review by making regular annual payments at a higher level, although I understand that my constituent and many others regard that as inadequate. I regard it as inadequate. We are looking, I think, for something between the two. The unfortunate thing about the Government response today is that it cuts off that option. The amendment and the ministerial statement do not allow the option of considering more generous compensation in the light of Lord Archer's proposals. That is why I would have voted against the amendment and that is why I think it is wrong for the Government to have given false hope to sufferers and to have dashed that hope with their announcement today.

2.23 pm

Dr Phillip Lee (Bracknell) (Con): I am the only regular practising medical doctor in this House and it is somewhat surprising that no one contacted me to lobby on behalf of any of the issues to do with this debate. I stand here as someone who has no idea whether I have any constituents affected by this dreadful scandal, but I do understand what it is like to have hepatitis C and to have HIV. On a personal level, I was once married to somebody who carried the gene for haemophilia, so I have considered the idea of bringing a haemophiliac into this world and the implications thereof. More importantly, I have spent weekends away with the Haemophilia Society in the past. I have been privy to the annoyance, upset, anger and frustration with this whole affair since it started to rear its ugly head in the late '70s.

It is important when we are discussing this issue to try to separate emotion from fact. The fact of the matter is that before we could administer cryoprecipitate factor VIII, the life expectancy of haemophiliacs in this country was in the 20s. When we discuss compensation—perhaps this is a way of decoupling us from the compensation scheme in the Republic of Ireland—we need to discuss compensating people for loss of earnings and widows' pensions, instead of compensating people for loss of life. It is important that we distinguish between the two issues, instead of getting emotional. It is easy to stand up and discuss distressing cases, which is an approach that can be applied to an array of conditions. Let us concentrate on fact, because there may be an appropriate solution.

I could speak all day on this issue, but I am conscious of time. Questions of morality and of cost arise in deciding appropriate compensation. To my mind, the present economic difficulties that our Government are dealing with are not a consideration. A big wrong occurred, and we need to deal with it irrespective of the timing. The former Member for Plymouth, Devonport, David Owen, who was a medically qualified person, was involved at the outset under a Labour Government. The subsequent Conservative Government continued to miss the signs and failed to implement necessary procedures to make sure that the blood was not contaminated.

I want to draw attention to the figures. I have read only the first four chapters of the Archer report, because I realised only at 12.30 pm that the matter was going to be debated. I have noticed mistakes in the first four chapters, so I am not encouraged by the report in general. The report cites a figure of £3 billion, which I think the Department of Health provided to Ministers, but the figure is actually £1 billion. There is a typo—if one divides the two figures, one does not get £850,000;

one gets £350,000. Let us talk about facts first, because we may be discussing £1 billion, not £3 billion. If one relates those calculations to the price of life, we can arrive at a compensation scheme that I can support.

Mr Robinson: Is the hon. Gentleman saying—I heard about this matter briefly before I came into the House—that the £3 billion figure relates to a typo and that the figure should be £300 million, because that needs to be clarified?

Dr Lee: Yes. If one does the division, one realises that one figure must be wrong—off the top of my head, the figure is 853 as opposed to 353. I encourage the hon. Gentleman to look at that point.

If the figure is £1 billion, we spend £1 billion on the NHS every three and a half days. We can find that money. I do not know how one prices a liver, and I do not know how one prices a liver transplant that does not happen. I cannot put a price on that, and I challenge anyone else to do so. We are talking about 4,670 people, so we can behave appropriately at last and provide the appropriate compensation.

On the financial implications, HIV widows are forced through the Benefits Agency to seek work within weeks of their partner's death, and hepatitis C widows whose partners died before 2004 receive no financial help at all. The implications for the haemophilia community are stark. I cannot say that we should trim this and that because of the comprehensive spending review; I would rather we borrowed the £500 million and did the right thing.

Harriett Baldwin (West Worcestershire) (Con): Given my hon. Friend's medical background, will he explain whether it is appropriate for someone with hepatitis C to receive incapacity benefit?

Dr Lee: I believe that it is, but, with respect, that is missing the point. As far as I am concerned, the Department of Health is culpable. This is not a party political matter; it is a departmental matter. It had a series of opportunities over a number of years to deal with the issue, but it missed them, and surprisingly it lost a few documents in the process. That is shocking. If the Department is worried about precedent, that makes me concerned about other conditions and treatments. Is there something else that we should know about? If this is about precedent, I should like to set one: this was wrong and we should pay out appropriately.

Ms Abbott: The hon. Gentleman has made a very important point about the £3 billion figure being a typographical error. I wonder whether Ministers are able to respond on that point now, as that would colour the rest of the debate.

Dr Lee: The hon. Lady makes a fair point. I should like to meet the Under-Secretary, my hon. Friend the Member for Guildford (Anne Milton), to discuss this. I hope that she can give me a little time because I should like to discuss a series of issues with her.

Madam Deputy Speaker (Dawn Primarolo): Order. I am sorry, but the time limit has been reached.

2.30 pm

Owen Smith (Pontypridd) (Lab): First, I join other right hon. and hon. Members in thanking the Backbench Business Committee for recognising the importance of the case that my hon. Friend the Member for Coventry North West (Mr Robinson) and I put to it. The volume and the quality of the contributions we have heard today bear eloquent testimony to the fact that the Business Committee was absolutely right to note that this is a critical issue—one that many hon. Members on both sides of the House feel has received too little attention in recent years from successive Governments. I also thank my hon. Friend the Member for Coventry North West for picking up the baton and moving the motion, which he did with great aplomb and verve, as ever.

Most of all, I should like to thank the victims and their families who have been in contact with me since we first learned that we had succeeded in securing this debate. Their kind words and support have been hugely welcome. I am delighted that so many of them managed to come here today—and, indeed, yesterday—to witness the debate. That bears extraordinarily powerful testament to the wrong that has been done to them and their families. I hope that we are doing some justice to their cases today by debating this issue so fully.

I am extremely pleased that the debate has prompted the Government to put before the House today's statement, which is somewhat misaligned with the wrecking amendment, as my hon. Friend described it.

Mr Robinson: I wonder, Madam Deputy Speaker, whether you could put the point to the Minister that we are conducting the debate on the basis of the ministerial statement that has been placed in the Library rather than one made to the House. Perhaps the Minister can tell us what the basis of compensation would be if we were to implement the Archer recommendations. Is the figure £3 billion, £300 million or £1.2 billion? I have heard different figures. Does my hon. Friend agree that we cannot continue the debate without more clarity about what we are considering? The Government have stated that we are inviting them to spend £3 billion, but the figure might in fact be far less.

Owen Smith: I, too, would very much like that point to be addressed. I was going to ask the Minister how the £3 billion figure was calculated. The Haemophilia Society has today suggested that the figure has been calculated erroneously on the basis of a typographical error in the Archer report and that the number has been extrapolated from a false figure that Archer published regarding the volumes that were given in Ireland. So, I, too, would welcome the Minister's clarification on that hugely important point.

Mr Dorrell: I entirely agree with the hon. Gentleman and other hon. Members that the number of pounds we are talking about is, to put it mildly, salient. However, is it not also relevant that the House is being asked to sign up not to a specific sum but to the principle that the compensation payable in this country should be at least aligned with that payable in the Republic of Ireland? Whatever the number, the House should not sign up to the dubious principle that whatever is paid in Ireland we will pay here.

Owen Smith: I understand the right hon. Gentleman's argument, which is a good one intellectually, but the rationale for the recommendation's inclusion in the motion was, essentially, that the victims of this tragedy wanted the House to debate it. The Archer report is the only substantive inquiry that we have had. It came to that conclusion on compensation, so we felt it appropriate to ask that question of the House. However, I understand the right hon. Gentleman's point about tying ourselves to recommendations that are made in another jurisdiction.

Alun Cairns (Vale of Glamorgan) (Con): I pay tribute to the hon. Gentleman for pressing for the motion today. I am obviously keen to support him. On the debate about parity with the Republic of Ireland, the Minister in her statement talked about working with the UK's devolved Administrations and with their Health Ministers. Does the hon. Gentleman also support the need for parity within the UK? Will he urge the Minister before us and the Minister in Wales, because we are both Welsh Members, to work on the review with the Department of Health in order to come up with at least some parity within the UK?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. It is up to Members to decide on the number of times that they give way to interventions, but I am concerned that that is going to stop other Members getting in. If we are going to have interventions, Mr Cairns, we need to make them very brief.

Owen Smith: I agree with the hon. Gentleman's excellent point. One thing that I was slightly disappointed about in the ministerial statement was the fact that those discussions clearly have not taken place. Some of the statement's specifics are very welcome, particularly its point about the terms of reference and, notably, the fact that the level of payment to people with hepatitis C might be equalised.

Ms Abbott: On a point of order, Mr Deputy Speaker. You will be aware that "Mr Secretary Lansley" and "Anne Milton" tabled an amendment that is on the Order Paper and includes the figure "£3 billion". Some Opposition Members feel that this debate cannot go forward until we have some clarification of its accuracy.

Mr Deputy Speaker: A point of order takes up valuable time, too. I recognise that you wanted to make it, but you will have the opportunity to put the case a little later. What we ought to try to do is respect all Members. I want to try to get in all those Members who are here; I do not want disappoint them.

Owen Smith: Thank you, Mr Deputy Speaker. I now have very little time left, so I shall speak a little faster, if I may.

It is absolutely critical that the Minister makes it very clear in her response that she is talking about equalising the payment to people with hepatitis C with the previous payments to victims of HIV. It is also important that she consider the specificity of the recommendations, including the terms of reference. Victims' access to nursing care and to the NHS ought to be looked at differentially. They were infected by the NHS, in effect, and therefore they ought to be treated differently when looked after by the NHS.

In the last minute of my speech, I want to pay tribute to some people in the Public Gallery today. The reason I am so interested in today's debate is that a very brave constituent of mine, Leigh Sugar, died earlier this year. His family came to see me just days after his death to express their desire for him to be the last person who suffers in their dying days, having not been looked after properly by the NHS, and having been infected through NHS treatment.

Leigh is a classic example of a person who, as a mild haemophiliac, went to hospital—he, in his teens—to be treated for the condition and came out with a devastating disease. That disease ultimately led to his death from liver cancer. Far too many people have died before we have seen this House deliver justice, and it is absolutely critical that justice be seen to be done today. This is a moral issue, it is a matter of conscience and of justice, and we owe it to the victims, whatever the difficulties of the CSR, to see justice served so that they might be properly recognised and properly recompensed.

2.39 pm

Nadine Dorries (Mid Bedfordshire) (Con): I welcome the Government's intention to review the Archer report, for this simple reason: its last recommendation, which to many sufferers was the most important, was to review the nursing, caring and other services that are available. This debate has been very much focused on money, but regardless of whether the figures are correct, the problems that many sufferers have had to experience throughout their lives, from the moment of infection, have been compounded by the years in which they have had to deal with these problems alone.

I would like to give the House a couple of examples, because I do not think that any of us, although we speak here on behalf of our constituents, can fully understand some of the problems that these people have had to deal with. I would like to speak on behalf of a constituent of my hon. Friend the Member for North East Bedfordshire (Alistair Burt) and a constituent of my own, and cite some of the things that they have told us. What they said to us is powerful, and we must recognise the bravery that it takes for people to go and sit in front of their MP and talk about the problems that they experience, which is not an easy thing to do. Some of those constituents are here today.

My constituent was infected with HIV from contaminated blood at the age of 12, when he was told: "This is what you now have. You must never tell anybody at all, ever. You must never tell friends in school, because if you do you will be bullied and hounded out of your school, and we will be hounded out of our home and have to move away." It is enough to have suffered with haemophilia, but then, at the age of 12, they are told not only that they have a socially unacceptable disease, as it was at that time, but, at an age when they fully understand, that they are soon going to die from it.

He got that message more powerfully than by words alone. As a haemophiliac before his diagnosis of HIV, he was never allowed to have a bike of his own, so he was always asking to hitch a ride on somebody else's. The Christmas after his diagnosis, his Christmas present was a bike of his own. He knew, from the statements by his parents and the look in his father's eyes, that it did not matter any more—that he may as well have his own

bike, because at that point in the '80s nobody knew whether he had a month, a year or years to live. For a child to have had to live with being a social pariah, and to have had to keep a secret that they know they will die from, brings with it psychological problems that we cannot even begin to imagine. Their childhood is taken away and they have to live with that secret all their life.

I welcome the report, because these people need counselling. They need to be able to know that they can speak about the vitally important conditions that they suffer from, and how to deal with them. To use the words of one of our constituents, he felt that he had been born to bleed but did not realise he would have to pay the death penalty for it, and every day he feels ungrateful to be alive. The figures may be wrong or right, but other issues are just as important as the financial compensation that some of the people who have been infected are looking for.

There was a huge stigma surrounding HIV in the '80s. We know in this place, and many other people know now, that there are only two ways to catch HIV—via sexual intercourse or contaminated blood. Perhaps it is time for us to start doing our bit to let people know that that stigma should not be there any more and that these people should not be afraid to talk about what they have suffered.

Mr Robinson: On a point of order, Mr Deputy Speaker. We are conducting a Back-Bench debate that is being coloured by a figure in an amendment that the Government have tabled, which has not been selected. It suggests that £3 billion would be the cost of what my motion proposes. If the exact figure is in the order of 1% of that, or £300 million, as I think the hon. Member for Bracknell (Dr Lee), a medical doctor, suggested—[HON. MEMBERS: "No, £1 billion."] Does it come to £1 billion? I think that ought to be clarified before we go further in the debate.

Mr Deputy Speaker: In fairness, the Minister is going to speak and there will be an opportunity to intervene on her. I am sure she will want to point out the figure at that stage. What I want to do is get on with the debate until she comes to speak, and then I am sure Members in all parts of the House will be able to intervene.

Anne Milton *indicated assent.*

Mr Deputy Speaker: I am getting the nod from the Minister that that will be dealt with in due course.

2.45 pm

Chris Evans (Islwyn) (Lab/Co-op): I have been sitting here waiting to speak for an hour or two. Those affected by the tragedy of contaminated blood and blood products have been waiting for justice for more than 25 years.

I do not have to tell anyone that living with haemophilia is hard. My own cousin was affected by the condition, and when I think of him now I always think of him with a smile on his face. He was always cheerful. As a child, I was always aware that he had haemophilia, although I did not understand what the condition meant. Having done some background reading and spoken to people, I can say this about him now: my admiration for him, my aunt and my uncle has only grown.

Like many Members, I was motivated to speak in the debate by a number of constituents who have haemophilia and have contacted me with their stories, which I found both moving and inspiring. One e-mail particularly struck a chord with me, and I spoke to the man who wrote it on the phone this morning. Wayne Gambin is 35 years old and has a young family, and he has haemophilia. He was given hepatitis C through a bad blood transfusion. I read about how he gets depressed a lot of the time just thinking about death, which is in the forefront of his mind most of the time. He wonders whether the disease could kick in, causing liver failure and eventually death.

Over the years, Wayne has tried two different experimental drug combinations, but they have had no effect on the disease. While on the trials he suffered a lot of side effects, such as depression and anger. During one trial three years ago, he lost his job and his house. He has a young family and cannot get life insurance because of the excessive charges, even though he contracted the disease through no fault of his own. He worries about dying and leaving his family destitute. To me, that is a scandal in itself.

Another constituent who also wrote to me is in his mid-40s and has three children, and was infected with hepatitis C in the '80s following an accident that required surgery. He discovered he had the disease shortly before his 40th birthday and his health deteriorated dramatically, culminating in a liver transplant a year ago. His children now face the prospect of not having their father around in future. He has lost everything, even though he has worked his entire life.

I know that when we read stories such as that, it is easy to be carried away with the emotion of it all, but we can deal only in fact. Throughout the '70s and the first half the '80s, many in the UK who suffered from haemophilia were treated with blood and blood products that carried what came to be known as hepatitis C. As has been said, some 4,670 patients became infected. Between 1983 and the early 1990s, some 1,200 patients were infected with HIV through blood products. We know that because Lord Archer held an independent public inquiry.

The Macfarlane Trust was established in 1987 to provide emergency funding for haemophilia patients infected with HIV, most of whom were not expected to live more than five years. Victims, many of whom had a good standard of living beforehand, were required to go cap in hand for discretionary relief. Monthly payments are now dispensed. The Skipton Fund was founded in 2003 following the publication of the Ross report. Those infected with hepatitis C can claim a lump sum of £20,000, and a further £25,000 is paid to those who can establish that their hepatitis C led to severe liver disease.

I have no doubt that those were welcome developments, but like many other Members I believe that more needs to be done. As many have mentioned, Lord Archer's conclusion, which has caused some controversy, was that payments should be at least equivalent to those payable under the Irish scheme, which is far more generous than ours. I hope that the Irish made that settlement because caring for the victims of the disaster was morally the right thing to do.

I agree with my hon. Friend the Member for Liverpool, Walton (Steve Rotheram) that the annual payments awarded to all patients infected with hepatitis C and

[Chris Evans]

HIV through contaminated blood are too low. Considering the damage done to the lives of those infected and their families, they should be increased. Yes, there needs to be some reconciliation, and I welcome the Government's move to review the recommendations of the Archer report, but I hope that they will go further and offer an apology, which costs absolutely nothing.

One of my constituents wrote to me to say that it is time to bring about an end to this fight and to allow those who remain to live out the rest of their lives with some peace of mind. I wholeheartedly agree with him.

2.50 pm

Gareth Johnson (Dartford) (Con): Unlike my hon. Friend the Member for Bracknell (Dr Lee), I do not profess to have any high degree of expertise. I was approached by a couple of my constituents, who hit me with what can be described only as a moral sledgehammer. They movingly recounted profound stories of their youth and their lost childhoods, which others have mentioned, and of their inability to form full relationships with loved ones. Some victims have had to keep their condition secret owing to a fear of being shunned by people who have a naive attitude towards HIV. The heartbreaking accounts are seemingly endless. Very often, sufferers get into the habit of not telling friends and even relatives, and now find it impossible to divulge the truth. Many victims were children. Some never made it to adulthood.

We fight and argue in this Chamber over a range of issues, but we would struggle to find a more poignant debate than this. The contracting of HIV through blood transfusions is one of the most profound, disturbing and dreadful episodes in 20th century health treatment. According to my calculations, on average, one person a week has died as a result of being infected with HIV. Those who survive do so only because of a cocktail of drugs that keeps them hanging on to life. That treatment has been described as being on low-dose chemotherapy for the rest of one's life.

An additional difficulty is that victims must cope with their inability to obtain life insurance—Opposition Members have mentioned that—and they also have difficulty with travel insurance and medicals. I therefore welcome the terms of reference for the review. Surely some help can be offered to the remaining survivors. I use the term "survivor" deliberately, because that is exactly what the remaining sufferers are.

A further tragedy is the fact that some sufferers were not told of their condition even when it was known by others, leading to the infection of partners. On other occasions, it was felt unnecessary to engage with sufferers as they were not expected to live very long anyway. The treatment that is available today for HIV sufferers was not envisaged in the 1980s, so it was believed that victims had a life expectancy of about five years. Thankfully, that has not been the case in many instances. Understandably, some who were told that they had only five years to live went out and spent their financial award pretty quickly, and enjoyed life to the full without considering investing for the future. Many such victims have consequently been left financially short.

We are familiar with the root cause of the infection: blood was imported for transfusion when the UK was not self-sufficient. Perhaps we need to look further into that. Safeguards that should have been implemented in both the UK and the US were not. Indeed, it appears that the UK was slow to act on minimising the chances of haemophiliacs contracting HIV. Clearly, mistakes were made, and they must be recognised.

More important than embarking on a witch hunt is deciding where we go from here. How can we achieve insurance for sufferers and support those who need it most? Infection from tainted blood was indiscriminate. Young and old, haemophiliacs and those who underwent operations were not spared. Nobody was spared.

The situation affects not only male haemophiliacs; some female cases have been reported. It is very much a matter of regret that the issue of adequate compensation was not tackled some time ago. I suspect that the sheer sums of money are part of the reason why the cause was not picked up by the previous Government. I look to this Government to do what they can to make the situation for sufferers and their families easier.

Matthew Hancock (West Suffolk) (Con): Like me, my hon. Friend has constituents who are affected by this issue. Does he agree that although it is important to get the numbers and the money right, there is an important principle at stake too? From this debate, it would appear that the House wholeheartedly supports that principle.

Gareth Johnson: I agree with my hon. Friend, who makes a good point. A range of principles is at issue and we need to ensure that people who are affected by this tragedy are properly looked after as best the Government can achieve. We live in times of austerity, and there is a limit on what the Government can do, but it is incumbent on them to do all that they reasonably and practically can to help sufferers.

2.55 pm

Valerie Vaz (Walsall South) (Lab): It is always a pleasure to follow the hon. Member for Dartford (Gareth Johnson).

My hon. Friend the Member for Liverpool, Walton (Steve Rotheram) paid tribute to the campaigners by wearing a black tie. I am in rather a bright outfit for this occasion because of my own tribute to the breast cancer care campaign.

I congratulate my hon. Friend the Member for Coventry North West (Mr Robinson) on initiating this debate and I support his motion. In the words of Lord Winston, this is the "worst treatment disaster" in the history of the UK. Not only is it a human tragedy, but it is grossly unjust. My constituent Valerie Moule is widowed because, through no fault of her own or of her husband, the blood that he was given as a haemophiliac was contaminated by HIV. Ivan Moule was one of the first people to die from contaminated blood, in 1989. This is an unimaginable injustice. Ivan Moule innocently received blood as a treatment without knowing that it was killing him.

Injustice in any part of life has to be corrected and someone has to take responsibility when things go wrong—

Mr Tom Clarke: My hon. Friend has outlined some of the big issues that we are debating. Does she agree that one of the most unacceptable aspects of this situation is how widows have been treated?

Valerie Vaz: I agree with my right hon. Friend, and when I was contacted by Mrs Moule she very calmly and quietly encouraged me to take part in this debate.

When things go wrong, someone has to take responsibility, and that is the cornerstone of a civilised society. Despite their bereavement and illnesses, the determined campaigners, who are sitting in the Public Gallery wearing their armbands, established an independent inquiry paid for by private means. Not only do they have truth on their side, but—since April 2010—they have had the law on their side. In the Republic of Ireland, a full financial scheme is in place, with a compensation scheme based on civil law principles, but that is not mirrored in this country.

Haemophiliacs began dying of AIDS in the early 1980s. Some 2,000 people have already died having been infected by HIV. In my view, the Archer inquiry made significant recommendations that should all be implemented. It was cost-effective at the time to buy blood from other countries that was unscreened and, if we are not careful, that could happen again if commercial, cost-cutting considerations are brought into an area where they do not belong. As the Archer report says, commercial priorities should never override the interests of public health. This is a matter of public importance and public interest.

Proper financial relief should be paid to those who were infected. As a nation, we should apologise to those families who have suffered. We also need a commitment that blood will be screened and that blood from imported or unknown sources will not be used. We owe that to those who have died, like Ivan Moule, and to the living who cared for them, like Valerie Moule. I urge hon. Members to do the right thing and support the motion.

3 pm

Mark Garnier (Wyre Forest) (Con): It is a great pleasure to follow the hon. Member for Walsall South (Valerie Vaz).

I feel moved to speak today because this is an issue that shows how we as a society can show compassion for our fellow citizens and take responsibility for past mistakes. I have been well aware of the general topic of people suffering from contaminated blood transfusions for some time, but I did not become aware of either the full scale or the injustices of the problem until I met Ros Cooper, a constituent of mine, to whom I am incredibly grateful. She speaks with passion about this subject, and is an incredibly strong advocate for her fellow sufferers. She is relentless in her efforts to get her point across.

Ros's story is not untypical. Diagnosed with a severe bleeding disorder at just six months, she has received blood products all her life. She receives them from as infrequently as three times a week to as often as twice a day. By the age of 14 she was able to inject herself with blood products. This is a woman who has had to grow up under the permanent threat of severe bleeding. Of course she has received treatment from the NHS, but as a direct result of that treatment she contracted hepatitis C—something she discovered only by hearsay, which seems to be a recurrent theme in this debate. Not only was she not given counselling to help her cope with that traumatic news, but she found out by hearsay that she might have been exposed to CJD.

Ros has received two rounds of treatment for her hepatitis C, but those, of course, are also traumatic. Six to 12 months of antiviral therapy can leave a patient unable to work: Ros was unable to earn a living for up to two years after both rounds of treatment. In the future she faces a liver transplant, cirrhosis or, worse still, cancer of the liver, as all sufferers of hepatitis C do. She is a vibrant young woman and would otherwise have faced a life that was admittedly severely inconvenienced—but still only inconvenienced—by her bleeding disorder. However, because she received contaminated blood products, arguably at a time when those providing them knew there was a risk of infection, she is severely disadvantaged.

Modern medicine has resulted in new types of manufactured blood products, reducing the risk to most patients. However, for Ros this salvation is not available. She suffers from a very rare disorder—type 3 von Willebrands—which means that she must receive real blood products that still come from America and overseas. So from between three times a week to up to twice a day, Ros injects herself with blood products that may carry an as yet undiscovered infection. Every time she feels exhausted or unwell, she will ask herself if she has infected herself with another illness. What is truly remarkable about Ros's story is that she is clear of HIV, which is very welcome news.

The fact that we are having this debate is a significant leap forward, and I congratulate the hon. Member for Pontypridd (Owen Smith) on his efforts to move this incredibly important issue forward, and the hon. Member for Coventry North West (Mr Robinson) on taking up the banner. That it has taken so long for us to debate the matter, however, is a cause for concern, especially given the 4,670 people infected by hepatitis C and the 1,200 or so infected by HIV—infections that have resulted in nearly 1,800 deaths.

At the core of this debate are the findings and recommendations of the Archer review. To my mind, the eight recommendations are broadly reasonable, and I am amazed that some, such as free prescriptions, were not introduced a long time ago. However, I am grateful to the Minister for making a statement saying that that will be reviewed. Of course, there is always a sticking point—in this case, the level of compensation, which has now been even more confused by the amount of money that we are now discussing.

Some payments have already been made. In 2004 payments of £20,000, rising to £25,000 for more advanced stages of illnesses through hepatitis C, were made through the Skipton Fund. Other payments of a similar initial sum, rising to £60,000 on a needs assessment basis, plus ongoing payments, have been made through the MacFarlane Trust. However, those two systems illustrate that some form of uniformity needs to be established. If an individual's life is blighted, irrespective of what is causing the blight, it is important to have uniformity of payout. I am very supportive of the Hepatitis C Trust's recommendations that the Skipton Fund's payout should be increased to the levels paid by the MacFarlane Trust.

I support the motion in full, but—I say this with a heavy heart—with one exception. When we talk about implementing the Archer report despite the intense financial pressure on the public purse, I am mindful that in just six days' time my right hon. Friend the Chancellor of the Exchequer will deliver a statement

[Mark Garnier]

that could make life-changing cuts to public expenditure. I cast an eye towards my many, many constituents, all of whom are extremely anxious about the comprehensive spending review, and I must act in the interests of all of them. It is vital that the victims of this tragedy should be allowed to live their lives as best they can—

Penny Mordaunt: My hon. Friend has mentioned the comprehensive spending review, but we should not forget that the health budget is ring-fenced and will be increased. We have also heard mention of the insurance industry and the companies that supplied blood products. I hope that he will join me in urging all Members to come forward with ideas to ensure the maximum compensation pot, whether that comes from public funds or, for example, from the £1 billion that exists in the insurance industry in orphan accounts. All Members should be contributing to that debate.

Mark Garnier: I welcome that intervention. It is incumbent on us all to work with Health Ministers to ensure that we find as much money as we can to help the victims. However, we have to be careful to ensure that compensation is not paid at the potential expense of many other special interest groups that need and deserve compensation and funding.

I am pleased that the Minister has said that the issue will be resolved, in one way or another, by the end of this year. I look forward to working with Members who have been affected by the contaminated blood scandal to ensure that the Minister comes up with a satisfactory response.

3.6 pm

Mark Durkan (Foyle) (SDLP): Unlike some other hon. Members, I do not have permission to name any constituent who suffers from this predicament. However, I do hear from people who are affected, as well as from those in other constituencies in Northern Ireland, about exactly the same problems, tensions and sad experiences that other hon. Members have so articulately reflected on.

Many hon. Members in this debate have emphasised the importance of ensuring parity between sufferers from hepatitis C and sufferers from HIV, and the principle seems to be shared universally across the House. My problem, in a border constituency in Northern Ireland, is that I want to see parity between my constituents in Foyle and those in the next-door constituency of Donegal North East, who benefit from the Irish Government's compensation scheme. That scheme had its roots in the recognition in 1995, by the then Irish Government—the rainbow coalition of John Bruton and Dick Spring—that led to a tribunal being set up in 1996, which was making significant payments long before the subsequent findings of liability by the Lindsay or Finlay tribunals, or by the hepatitis C tribunal in 2002.

Not only have we had the scandal of the health mistreatment disaster, which created this plight for so many people; there has also been the scandal of the failure of the political process to deal with it. There is no point in our talking about this or that Government; the fact is that, collectively, the political process has failed to discharge its responsibilities properly, as compared with what a nearby political process has been able to deliver. The word "scandal" is much overworked in this society, in the media and in politics, but what we are talking about is a true scandal, and we have to call a halt to it now.

In the past, we had Governments giving false excuses and making false comparisons with the Irish scheme, with false references to the issue of liability and so on. Now that has been nailed. However, after the false contrasts of the past, we cannot now have false comparisons to describe the relative or comparative costs of the schemes. Clearly we need proper differentiation between the wider package that was available in the south of Ireland, to take account of the fact that not everybody had health cover, prescription cover, medical card cover or whatever. I accept that that has to be done properly if we are to achieve true parity. However, we cannot turn round and offer the victims stone for bread, and say that now that we have finally recognised the problem and are addressing it, our excuse for not giving them what justice demands is the financial exigencies of the Exchequer.

If justice says that people are due compensation, and if we all say that this is our democratic will, then that is what should happen. If that puts a strain on the Exchequer and the rest of us, it is a strain that we have to bear, because we owe it to those who have suffered as they should not have suffered, and who have endured and struggled for so long, with so many people dying in the effort.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We have nine speakers to fit in, and I intend to call the Front-Bench speakers at 3.40 pm, which gives us 30 minutes. I ask for as much discipline as possible, as I want to ensure that everyone who wants to speak can be called.

3.10 pm

Jason McCartney (Colne Valley) (Con): I should like to add my congratulations to the Backbench Business Committee on securing this debate, and to thank the hon. Members for Coventry North West (Mr Robinson) and for Foyle (Mark Durkan) for their contributions. I should also like to thank my hon. Friend the Member for Bracknell (Dr Lee), who has just left the Chamber, for his thoughtful, insightful and revealing speech. I also want to thank all the victims of this scandal and their loved ones who are up in the Public Gallery. Many of you have been here since 10.30 this morning, as I have. Thank you for your patience, and I hope that in about an hour's time, you will feel that your time here has been worth while.

Debates such as these are what I was elected for. I am passionate about this issue, and I am determined that we should stop dragging our heels and begin the process of closure in this shocking scandal. As most of us here know, the scandal was caused by the importing of factor VIII from the United States, where blood was extracted from prisoners for money by commercial companies, and not properly sterilised or treated before being used in British hospitals for the treatment of haemophiliacs.

Over the years Governments of the day had several chances to act, but they missed every time. Again and again the victims of this scandal have been betrayed.

Already 1,800 of the 4,800 British haemophiliacs affected have died. Of the 1,243 people who contracted HIV, only 345 are still alive today. It is the human tragedies that are the feature of this shocking scandal.

I have had a general awareness of the scandal for only a few years. It was only when I met an amazing man from Lindley in the north of my constituency that it really hit me, and I have to admit that I have been emotionally drawn into the issue. Mr C—he wishes to remain anonymous—was dignified and polite. He told me that as a 12-year-old haemophiliac, he was injected with dirty blood products. He was injected with HIV and hepatitis C. He is still alive, thanks to his positive outlook and with the help of a cocktail of drugs. He has no anger or bitterness, just a desire to get some fairness, mainly for his family. It is also worth remembering that many of the victims were already suffering from other illnesses, or had suffered an accident, before they were infected by the contaminated blood products.

For too many decades this issue has been swept under the carpet. I came into Parliament to do the right thing, and to stand up for those who have been wronged. Many of those people are up in the Gallery now. I am not going to get bogged down by the intricacies of the Archer report, or by the financial commitments involved. I know, as many of us do, that there is little money left, which just adds to my indignation that this matter was not cleared up in better times. I shall, however, praise my Government for their action over the previous 13 days, in which they have done a lot more than was done in the previous 13 years. I am immensely proud of what has happened in the past 24 hours, including the movement by the Minister. I also welcome a number of the recommendations in the ministerial statement, which I saw this morning.

I am now going to put down my notes. I said that I had been emotionally drawn into this issue, and I now want to address the many people up in the Gallery and look them in the eye. I came into this Chamber as a Member of Parliament to do the right thing. For too long, you and your families have suffered. You have been the victims of this scandal, and I hope that I, and other Members, can do the right thing. I shall therefore support the motion later.

3.14 pm

Damian Hinds (East Hampshire) (Con): I am conscious that there are many hon. Members still wishing to speak, so I shall be brief. As the hon. Member for Coventry North West (Mr Robinson) said, it is almost inevitable, given the number of people involved in this scandal, that there will be someone in every constituency who has been affected. The issue has especial significance in my constituency, because it is home to the outstanding Lord Mayor Treloar college, where many of the victims were students in the 1970s and 1980s. There were many haemophiliacs at the college because it had an excellent in-house haemophilia centre. My constituent Mr Adrian Goodyear was one of those who was infected by contaminated blood and blood products. He wrote to me to say:

> "We've now lost so many of our friends from the Treloar days—in fact, we stopped counting at 40—many of whom were children, teenagers or young adults at the time."

Those words will stay with me.

I would like to pay tribute to all the tireless campaigners from the affected community for their perseverance and tenacity over many years. I congratulate them, and everyone involved on securing this historic debate on the Floor of the House. Hon. Members across the political spectrum have also been instrumental in keeping up the fight. Among them was my predecessor as East Hampshire's MP, Michael Mates, for whom this was a special cause.

Like most others, I cannot begin to imagine the anguish and fury of the thousands of patients infected by contaminated blood. Whether we call it accident, negligence or anything else, these people came to receive treatment through our national health service—and were poisoned. For some it has been a death sentence; for others a long lingering life sentence.

There are some things in this morning's written statement that are to be welcomed, including the Minister's commitment to look afresh at insurance, prescription charges, and access to care services and nursing. Many hon. Members have spoken about compensation, which is, of course, fundamental. It has become clear through this debate—for the reasons expounded by the hon. Member for Hammersmith (Mr Slaughter) and my right hon. Friend the Member for Charnwood (Mr Dorrell)—that today's motion, as currently worded, is not the best basis on which to move forward. We all look to the Minister to move forward towards a just settlement that will allow those people and their families, who have suffered so much, to reach some sort of closure.

For about the next 30 seconds I want to focus on a different aspect—apology. One of the worst aspects of this whole sad affair is that so many, including those children from Treloar, died without anybody saying, "We're sorry." That makes me very uncomfortable. It is not about assigning blame. There could be—indeed, there has been—long debate over the technicalities of liability or otherwise, who knew what and when, how quickly things could have changed and so forth. Regardless of those specifics, surely the victims of this disaster are owed the dignity of a proper apology. I have read the expressions of sympathy, but I do not think they quite go far enough. The events predate most current Members of the House, and I am not suggesting that a Minister should come to the Dispatch Box to take, or indeed assign, blame. I do think, however, that it is not too much to ask to give the victims the dignity of hearing a Minister of the Crown come to the Floor of this House and say, "Yes, we are truly sorry."

3.17 pm

Caroline Dinenage (Gosport) (Con): I echo others this afternoon in saying how much I appreciate the opportunity to participate in this debate—a debate should that have happened many years ago. I also reiterate the tributes to the victims and their families, some of whom are watching our debate. The tragedy of contaminated blood is undoubtedly one of the biggest medical disasters in the history of the NHS. It is important to establish how this medical catastrophe was allowed to happen, and to protect those whose lives were devastated as a result.

I recently met a delegation of people who had suffered through the Equitable Life disaster. Although I have every sympathy with their plight, today's debate puts that matter into perspective because we are talking not

[Caroline Dinenage]

about the loss of life savings, but about the loss of life itself, loss of livelihood and of the chance to grow old, and losing the chance to become a parent and see one's children grow up.

It seems wholly appropriate that people whose lives have been devastated by this disaster should be fairly compensated. After today's discussions about how much it will cost, I very much look forward to hearing the Minister speak later about whether this is affordable. I do not believe, however, that the relatives are purely after money. As George Santayana said:

"Those who cannot remember the past are condemned to repeat it."

That explains why this debate is so important, as it ensures that the tragedy will not be forgotten and, with the help of Lord Archer's recommendations, that it will not be repeated.

One of those affected was from my Gosport constituency—a haemophiliac who had just a 10-day window of NHS treatment for his condition, but those 10 days proved to be his death sentence, as he was infected with both HIV and hepatitis C. This man suffered in every way as a result of his infection. He lost the chance to father children and to further his career; he suffered pain, humiliation, poverty, prejudice and, ultimately, death. His family lived a lie to avoid the stigma of HIV, and were therefore cut off from the possibility of much-needed support from friends and neighbours. His stepdaughter talks of a "lost childhood". Such was, and in many cases still is, the fear and prejudice in relation to HIV that sufferers whom I have met who were open about their illnesses had their homes daubed with red paint and their children hounded from their schools.

That man's family suffered financial hardship. As he was unable to obtain life assurance, his widow was left not only a single mother but with a mortgage to pay. He died on Christmas Eve 1998 at the age of just 40. He died of a life-threatening condition and three terminal diseases. He died struggling not just against his illness but against huge financial worries and fear for the future of his family, and under the oppressive burden of injustice.

Now, 12 years later, his widow is still fighting against that injustice. She talks of her fight against the sense that somehow the life of this man, her husband, did not count, because no Government seemed to care. Her simple desire is not to wake up every morning of her life and think of that. She talks of the frustrating myths that prevail. One is that victims were compensated. The truth is that the Skipton Fund drew a line in the sand—an arbitrary date in 2003 after which relatives of people who died were given small ex gratia payments. My constituent died in 1998. His widow was told that her husband had died five years too early; to her mind he had died 45 years too early.

Today in the House we have a fantastic opportunity. The contaminated blood tragedy has finally been granted a platform, and we as elected Members have a responsibility in the coming months to ensure that we fight for a just outcome for the tainted blood community. That tiny community of sick, bereaved and dying people, many of whom are living in poverty, will go on fighting no matter what the outcome today. We as parliamentarians should feel humbled by their bravery and take up the fight on their behalf.

Martin Luther King once said:

"when you are forever fighting a degenerating sense of 'nobodiness'—then you will understand why we find it difficult to wait."

That is how this little community goes on: waiting and dying, dying and waiting.

Whatever happens as a result of the vote today, we must ultimately put an end to this. No amount of money can bring back those who have suffered and died—their dead will remain dead, their losses will remain lost—but we can help them to shed the burden of injustice and regain financial security. My hope is that my constituent will one day again be able to wake up in the morning knowing that each day is a day to be loved, a day to be lived, and not a day to be fought.

3.22 pm

Andrea Leadsom (South Northamptonshire) (Con): One of the first principles of any health care is "first do no harm". I think it was Florence Nightingale who said that. I pay tribute to all hon. Members who have shown today how much we care about what has happened. I echo the words of the many who have said that we owe a huge apology, as parliamentarians, on behalf of the Department of Health, which, inadvertently or otherwise, has caused so much tragedy to so many people who have suffered.

I also pay tribute to my constituent Stuart, who I am very glad to see is well enough to be here. He first came to my surgery a couple of months ago with the heartbreaking story of his own situation as a haemophiliac infected with hepatitis C and HIV, and now suffering from advanced liver disease. He has become used to seeing friends and family dying; he has become used to the fact that he often cannot afford to go to their funerals; and he has become used to popping around to someone's house for a drink only to find two weeks later that that person has died from, for instance, a brain tumour or liver cancer. It is hard to imagine.

I warmly welcome the ministerial statement. I spoke to my hon. Friend the Minister specifically about my constituents, and I can assure Members on both sides of the House that she is as genuinely sad and sorry about the situation as any of us here. I urged her, on behalf of my constituents, to do three things. First, I urged her to do whatever she could to ensure that they achieve closure. This has gone on for so long. We may not be able to give these people everything that they want, but let us at least put them in a position that will enable them to say, "We have got enough: we can take off our campaigning boots and start to enjoy what time is left to us and to our families." Secondly, I urged her to try to give time to all who want to speak to her during the review period between now and Christmas, so that they can tell her their stories, put their side of case and ask her to help them. Thirdly, I urged her to try to ensure that every possible step was taken to prevent anything like this from ever happening again. This was not a deliberate action on anyone's part. It was, however, caused by a lack of joined-up thinking and a failure to take opportunities as they arose.

Like all Members, my heart truly goes out to those affected, but I feel confident that my hon. Friend the Minister will take every opportunity to put right the wrongs

of past generations. It is a great shame that the last Government did not do that when our economic situation was better and that it is therefore left to us to try to sort this problem out at a time of great economic hardship. I assure the Minister that she has my support in her efforts to put this right.

3.25 pm

Mr Mark Spencer (Sherwood) (Con): I will be as brief as possible. I have heard the stories of my own constituents and I have also listened to many other similarly tragic stories, and that shows the magnitude of this problem throughout the country. I welcome the fact that Opposition Members recognise that this has been an issue for successive Governments, and that they regret that it was not tackled in the previous 13 years and we are therefore now left in the position of needing to try to solve this enormous problem.

I also want to thank the Front-Bench team for having taken this matter so seriously. It has looked into it and, for the first time, has committed to taking action. We now have a timetable in place, and we will know the direction we are going in by Christmas. That is an enormous step forward. I am grateful that we now at least have a plan and a direction, and I hope we can achieve the right outcome.

3.27 pm

David Mowat (Warrington South) (Con): I thank my hon. Friend the Member for Sherwood (Mr Spencer) for being brief and thereby letting me contribute to the debate, and I shall be brief as well. Like many others, I welcome the movement from the Minister over the past couple of days.

I want to make three points. I would like the Minister to comment on them in her concluding remarks, and I would certainly welcome their being addressed in her review. The first is the difference between how this problem has been dealt with in this country and other countries. A lot has been said about Ireland, but Ireland is not the only country in question: there is also Japan, Canada and Italy. It has been said that past Governments have failed to address the problem and that is true, but it is only Governments of our country who have failed. I would like to know where our response to the problem will rank in comparison with that of other countries, and I hope we will finish at least halfway up the international league table.

Secondly, I want to draw attention to the distinction we have persistently drawn between hepatitis C sufferers and HIV sufferers. When I first looked into this issue, I simply did not understand that, time and again, whenever a compensation payment was made we drew that distinction. People with hepatitis C are unable to work in the same way as those with HIV, and people with hepatitis C are also dying prematurely in the same way. We really have to stop drawing that distinction. It has even been drawn latterly in respect of the Archer report. The annual payment now being made to HIV sufferers is, I think, £12,800, whereas hepatitis C sufferers, who have about the same amount of discomfort, have merely got a review in five years' time. That is not right.

My third point is about money, about which a number of interesting comments have been made, in particular by my hon. Friend the Member for Bracknell (Dr Lee). The cost of matching the sums we have given to the HIV folk in payments to the hepatitis C folk is 3,500 people multiplied by £12,800 a year. That comes to £40 million a year. That is the cost of implementing Archer in the same way for the hepatitis C people as for the HIV people. I would be extremely interested to hear what my Front-Bench colleague has to say about that, and I would like it to be addressed in the review. How can we reconcile that sum of £40 million a year that will not be for ever—unfortunately the number of these people is declining—with the sum of £3 billion?

Finally, let me say that this is not just about money. Had it been just about money, we would have fixed the problem 10 years ago when more money was going into the national health service than it was able to spend. This is about principle, and we have the chance to sort it out.

I also regret that the motion refers to a comparison with Ireland. That country does give eight to 10 times more money than we have been able to find, but other countries come in between ours and Ireland on that list. We should not be constrained to signing up to a one-country approach, but we have to get this fixed.

3.30 pm

Harriett Baldwin (West Worcestershire) (Con): Thank you for allowing me to speak in this historic debate, Mr Deputy Speaker. Like so many of my colleagues, this issue has been brought to my attention by the impact it has had on the life of a constituent—in my case, the constituent is Colette Wintle.

Colette was born in 1959 and was diagnosed with haemophilia in 1962. When she went to have her tonsils out in 1976, she was given American blood products which first caused her infection with hepatitis. In 1982, at a hospital in Kent, she was given factor VIII concentrate, which infected her with hepatitis C. In 1985, at a hospital in London, she was once again given treatment with blood products, which made her very ill with hepatitis C, although mercifully she did not contract HIV. Subsequently, she has been so weak with illness that she had to stop work at the age of 38. She has contracted cirrhosis of the liver and lives in fear of developing liver cancer in her damaged liver.

As we all know, it is not possible for doctors to undo the damage to Colette's health and it is not possible for her ever to be adequately compensated for the harm that was done to her by the infected blood products. The question is what we should do now, as a society, to compensate people such as Colette and her family. We have heard about the Skipton Fund, and I think that everyone in this debate acknowledges that the payments of a maximum of £45,000 are not adequate to compensate someone for that treatment.

We have also talked a lot about different numbers, and I wish to help the House. As 4,672 people have been infected over the years, a payment of £1 million to each of them would involve £4.672 billion. A payment of £100,000 to every sufferer would involve £467.2 million—I believe I have those figures right. That puts the £3 billion cost into context; it would work out to be £642,000 per individual. Colette has not been able to work since she was 38 and has had to pay for her NHS prescriptions. She looks ahead to the future, but her general practitioner is unable to assure her that she will have access to specialist nursing at home if her condition worsens.

[Harriett Baldwin]

I welcome what the Minister said in her statement and the fact that she will look urgently at a number of issues. However, will she clarify whether the compensation that will be recommended by the review will reflect the length of time that individuals have had to suffer and been unable to work because of the illness? Will the review also examine something that is being debated a lot with the Department for Work and Pensions: what happens when an individual is being assessed for their ability to work? Can we agree in this House today that it would be good if we exempted all these individuals—the 2,700 surviving patients—from any further assessment of their capacity to work?

No money could ever compensate these victims for what has happened. Their health can never be repaired, but let us ensure that as a result of this debate and of this inquiry we ensure, once and for all, that the patients do not experience further financial disadvantage from this terrible situation.

3.34 pm

Paul Maynard (Blackpool North and Cleveleys) (Con): I thank the Backbench Business Committee for tabling this motion. It is vital to realise that when the noble Lord Owen first took action on this issue as a Minister the year was 1975—the year of my birth, which shows just how long this issue has been current and how long it has not been dealt with by Governments of all political persuasions.

I understand that when medical treatment does not go according to plan—when something goes wrong and disability or a chronic condition results from it—a wound is opened that is very difficult to heal. It cannot be healed by money alone, although compensation is important. Intense frustrations are released. We have heard talk of a lost childhood, for example, or of what might have been or never would be, and of early deaths. Such events affect lives totally in a way that many of us cannot really understand.

That is why I welcome unambiguously the written ministerial statement, not just for what it contains but for the fact that it deals with issues such as travel insurance and access to insurance. I am not going to get hung up on what the meaning of the word "access" might or might not be in the view of the Minister. The fact that we are covering those things is what matters. Many haemophiliacs want to lead as ordinary a life as possible. We need to understand the gap between the lives that ordinary people lead and the effect of haemophilia and other conditions on people's ability to lead an ordinary life. That, to me, is crucial.

I made an effort to read the Minister's statement before I came into the Chamber—many hon. Members might have found that a useful exercise. However, having read it carefully, I noted one omission—or, perhaps, one thing that I could not find. It was mentioned by my hon. Friend the Member for Gosport (Caroline Dinenage), but I want to stress it a bit more: it is the Skipton Fund and the arbitrary cut-off date of 28 August 2003 for payments. I was not clear from the statement whether that would be readdressed in the Minister's review.

I came into politics largely out of frustration at the poor quality of public policy making in this country under all parties—I just happened to pick the Conservative party as the vehicle from which to express my frustration. There is a useful quotation in the briefing documentation with which we were provided, which I want to read as quickly as I can, about the Skipton Fund. It is from the Department of Health and says:

> "The announcement of a scheme on 29 August 2003 occurred after the Secretary of State had revisited this issue…The difficult decision not to extend the scheme to people who had died before this date meant that it became an unavoidable cut-off point. We realise that the circumstances are not ideal, but have attempted to provide a pragmatic solution."

I have seen a fair amount of civil-service speak in my time, but that is as near as I have come to finding one that admits, "This is an awful decision. We know that it is an awful decision, but tough. You will have to live with it."

I urge the Minister to try to include a review of this arbitrary cut-off date in the work that she is doing in the run-up to Christmas. I unambiguously welcome the progress that we are making, as everybody from all parties should. In particular, I ask for clarity on the figure of £3 billion. If there is a loose zero floating around this debate, it will make it very hard for hon. Members fully to understand the motion and the issues before us, so I ask for clarity.

Finally, the number of people who have wanted to speak has underlined the importance that Members attach to the subject. We will pay very close attention come Christmas to the outcome of the review. I am sure that all of us in the Chamber and in the Public Gallery will hope that we will finally get the closure that so many people want. It will be difficult to achieve, but we need it.

3.38 pm

Richard Fuller (Bedford) (Con): Thank you for allowing me to speak for a couple of minutes, Mr Deputy Speaker. The actions at the root of this debate take us back many years. For many of us—including me—they take us back to a period that stirs great emotions. It was a period when an illness was ignored, when people's deaths and suffering were marked by stigma, when Governments were in disarray and, too often, in denial and when life-changing mistakes were being made.

Everyone in this House commends the campaigners on this issue for their vigilance and persistence over the years. The debate relates to a judgment between principle and practicality in the operation of our Government, but also to individual lives, such as that of a family that lives in Kempston in my constituency. The issue of principle appears to be accepted and clear to all sides: a group of our own citizens, who had already suffered greatly, have been denied justice for many—too many—years. It is the responsibility of all hon. Members to challenge the Government to bring that period of injustice to a close. If December it is, Minister, then December it must be.

The main practical argument concerns cost, which is wrapped in the real pressures of affordability given the current pressures on the public purse. The written ministerial statement contains welcome indications for those affected by hepatitis, but I urge the Minister to consider the point made by my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) in clearing up other anomalies.

My constituent, Lisa, wrote to me urging me to attend this debate. She stated:

"We must trust in the democratic process to enable us to bring about change".

It is my honour to represent her today. She wrote movingly about how she lost her husband when he was just 32—her son was just two years old at the time; about the pain as his body struggled in his failing battle with HIV and hepatitis; about the consequential financial pressures of losing her home; and about the sadness of a family life denied but which lives on in her heart and that of her son.

Lord Winston described the issue of contaminated blood as "a disaster", which is surely the right description. Yesterday, we witnessed on our television screens another country come together to overcome the consequences of another disaster and painstakingly rescue 33 heroes who had suffered entrapment below ground and return them to their loved ones. Too many of the heroes who have fought for justice cannot be here today and cannot be returned to their loved ones. However, many of them are here, and many of the loved ones of those affected by this disaster are present, too.

It is time for the Government to show their mettle and demonstrate their principles, if not their culpability. I wait with anticipation to hear the Minister's reply and place my trust and that of my constituents in her resolve.

Mr Deputy Speaker (Mr Lindsay Hoyle): I shall move on to the Front-Bench speakers. I have the pleasure of calling Diane Abbott. It has taken since 1987 for her to reach the Front Bench, which is a long time, so we look forward to this experience.

3.41 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): We can see from the attendance of this debate how seriously the entire House takes this historic injustice. There is no more significant subject for me to discuss in my first speech at the Dispatch Box.

We are all aware that the eyes of the haemophilia community are on us this afternoon. As my hon. Friend the Member for Foyle (Mark Durkan) said, this historic injustice represents a failure of the entire political class. This matter has been a long-standing concern of mine. It concerns a small community, which, as we have heard, consists of fewer than 5,000 people, of the sick, the bereaved and the dying. I have long thought that the role of a Back Bencher is to be a voice for the voiceless.

I congratulate my hon. Friend the Member for Coventry North West (Mr Robinson) on moving the motion with such passion and my hon. Friend the Member for Pontypridd (Owen Smith), whose brainchild it is. I note the fact, which is not sufficiently recognised, that without the important reforms that took place at the end of the previous Parliament, which enabled Back Benchers to set the agenda for this House, we would not be having this debate.

I congratulate my hon. Friend the Member for North East Derbyshire (Natascha Engel) on her leadership of the Backbench Business Committee. I agree, not for the first time, with the right hon. Member for Haltemprice and Howden (Mr Davis) in saying that these Back-Bench debates should not be treated as second-class Opposition days. Above all, I congratulate the campaigners on this issue, who over 25 years have made it possible for this historic debate to take place.

We have heard some excellent contributions from hon. Members on both sides of the House. One cannot touch on this subject without referring to the years of work by the hon. Member for Cardiff Central (Jenny Willott). Many hon. Members have spoken movingly about their constituents, including my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins), my hon. Friends the Members for Liverpool, Walton (Steve Rotheram), for Hammersmith (Mr Slaughter), for Islwyn (Chris Evans) and for Walsall South (Valerie Vaz), and the hon. Members for Gillingham and Rainham (Rehman Chishti), for Mid Bedfordshire (Nadine Dorries) and for Dartford (Gareth Johnson).

My hon. Friend the Member for Bridgend (Mrs Moon) made the important point that the victims include not only the individuals struck down by those illnesses and tainted blood, but whole families. My hon. Friend the Member for Stoke-on-Trent South (Robert Flello) said that our Government—the outgoing Government—should have dealt with the matter. My right hon. Friend the Member for Knowsley (Mr Howarth) called it one of the major injustices of our time. My right hon. and well-respected Friend the Member for Coatbridge, Chryston and Bellshill (Mr Clarke) said that there should be humility on both sides of the House.

I welcome the review announced by the Minister and the terms of reference. For the avoidance of doubt, I have read the terms of reference, and I shall leave it to her to speak about them in detail. The Opposition particularly welcome the focus on the problems of sufferers of hepatitis C, as well as the raising of issues of insurance and access to nursing care and care in the community. I urge her to conclude the report before the end of the year if possible and, as she will understand, I would be interested to see the costings behind the questioned £3 billion figure that the Government put in their amendment.

Finally, I should like to commit myself to working with Members across the House to get the best possible outcome for the people—some of whom many of us have met today—who have suffered so cruelly, so unfairly and for so long.

3.45 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): Let me start by congratulating the hon. Member for Hackney North and Stoke Newington (Ms Abbott) on her new post. We have something in common, inasmuch as I worked in Hackney for most of my life before I entered politics.

This has been a moving debate and I, too, welcome this opportunity to discuss these issues and to air people's situations openly in the House. The story of those who have been affected by contaminated blood and its products is a dreadful human tragedy. I wonder whether, but can only hope that, an expression of sympathy from me can go some way towards making a difference to those affected. I am deeply sorry about the events that led to the infection of people who were treated with blood products with HIV and hepatitis C.

We always welcome new knowledge, but with that knowledge often comes deep regret about events that happened in the past. If we only knew then what we

[Anne Milton]

know now. We should always make sure, individually and as Governments, that we have the humility to learn from our past. I thank hon. Members for raising so many issues—about the terrible loss of life, of course, and about stigma and the additional cost of things such as dentistry. Yes, I would happily meet a delegation of hon. Members and my door will be open during this period of review.

I shall do all I can, in the time and on the terms available, to make sure that people's views on access to psychological support are heard. I shall not be able to deal with all the points that have been raised today, but officials will come back to hon. Members, who, if they have further questions, can always contact me.

Diana R. Johnson (Kingston upon Hull North) (Lab): Will the Minister address an issue that has not been raised—the medical assessments that people on benefits now have to go through under the new welfare reform programme? Will she consider making representations to her colleagues in the Department for Work and Pensions about passporting this group of claimants so that they do not have to go through medical assessments again?

Anne Milton: The hon. Lady makes an important point that has crossed my mind already. I shall talk to colleagues and officials in the DWP to make sure that that issue is addressed.

It is important to put on record some relevant events. In the early 1960s, the life expectancy of someone with haemophilia was less than 40 years. In the early 1970s, the development of a revolutionary new treatment—clotting factor concentrates produced from large pools of human plasma—led to what was then considered an exciting new era of treatment. It offered the potential to extend significantly the length and quality of the lives of patients with haemophilia. The risk of viral transmission through blood and blood products was recognised at that time, particularly the risk of post-transfusion hepatitis. Generally though, the consensus within the scientific community was that the risk of using multiple donors was low and worth taking. Significantly, at that time, the Haemophilia Society said, in a bulletin published in September 1983, that

"the advantages of treatment far outweigh any possible risk".

Sadly, we know how wrong that was. Tragically, the society was wrong and a devastating blow was dealt. The initial hope was ultimately replaced by the dreadful realisation that, although lives were extended, almost 5,000 patients with haemophilia in the UK and thousands more throughout the world had been infected with hepatitis C, HIV or indeed both.

Many of those people have since lost their lives to those conditions, and more continue to do so by the week, and we should pay tribute to the many campaigners who have died. I fully understand the sense of grievance and anger that people feel. I am not in that position, and it is impossible to know fully what it feels like, but I do understand some of it. I also know that for some time, whatever the Government do, sadly it will be far too little, far too late.

At the time, however, no other treatment was available. The UK blood supply and the only alternative, a product called cryoprecipitate, were both contaminated. The only real treatment, therefore, was no treatment at all, and that was the case not only in the UK, but in countries throughout the world. At the time, France, Germany, Japan and the United States all took a similar view, which was widely held by the scientific community throughout the world.

When those treatments were first introduced, we had a very different view also of the risks from hepatitis C. It was not until the mid-1980s that scientific and medical literature began to reflect increasing concern about the seriousness of disease associated with hepatitis C, and I, as somebody who was working as a nurse at the time, remember it well.

Dr Pugh: The Minister will be aware that in the Government's response to the Archer report, certain documents are described as "misplaced"—they no longer exist or can be found. Do they have any bearing whatever on the analysis, and if they were discovered would they correct it in any way?

Anne Milton: I thank my hon. Friend for his question. We are talking about a long time ago; that is the trouble. I know that campaigners have been concerned about cover-ups, and that not all the documents have been released. I assure him that officials have told me that all documents have been released, but somewhere in the back of a cupboard, somebody at some point might discover more. It is a mistake to think that there is any conspiracy, however. I do believe, in all honesty, that previous Governments and the current Government have done, and continue to do, all that they can to ensure that all information is in the public domain.

As the consensus on the virus developed and technological advances occurred, the Government and the NHS moved quite quickly to address the risks. Heat treatment was introduced in 1985, and that effectively killed the hepatitis and HIV viruses. Validated tests for screening blood donations were also introduced. Since then, Governments have introduced a number of important safeguards to protect the blood supply, not least, as we heard today, from newer risks such as new variant CJD. We carefully assess, and shall continue to assess, all new evidence as it comes to light, and we now have EU directives that set standards of quality and safety.

I fully understand again the financial difficulties that many of those affected by contaminated blood products face. I have met some of them, and they have told me in some detail of their extraordinary experiences of living with the aftermath of infection. Not only were many of them infected, but they went on to infect their partners. They are, understandably, very concerned about their own and their family's financial security, and they look to the Government to provide a degree of certainty in the years ahead.

Going—what may feel like—cap in hand to the state is demeaning, I know, but it is worth laying out the financial settlements that are currently available. Those infected with HIV receive a flat-rate payment of £12,800 per year, and they may also be eligible for additional discretionary payments. In the year ending April 2010, the average total payment to an individual infected with HIV was £17,400, although of course some received less and some received more. Those infected with hepatitis C are eligible to receive an initial one-off lump sum payment of £20,000 when they develop chronic infection.

Despite contracting the virus, some people will make a full recovery, but many do not and go on to develop serious liver disease. For that group, there is a second one-off payment of £25,000. All those payments are tax-free and not used when calculating an individual's eligibility for state benefits. Therefore, if they were unable to work for health reasons they would receive those benefits, but I take the point made by the hon. Member for Kingston upon Hull North (Diana R. Johnson).

The independent public inquiry on NHS-supplied contaminated blood and blood products, chaired by Lord Archer of Sandwell, investigated the circumstances surrounding the supply of blood products. It made several recommendations, the majority of which are in place in one way or another. However, a small number of recommendations have not been implemented. These primarily relate to aspects of the ex gratia payments, free prescriptions in England, and access to insurance.

I have instigated a review of those recommendations to see what more can be done I know that hon. Members would love me to finish that review before Christmas. I will do what I can in the time available; I know that time is of the essence. The review will be conducted by Department of Health officials, but with the support of relevant clinical experts and external groups. The terms of reference should be in the Library. At this stage, let me put on record that I will place in the Library how the costs of implementing the Irish scheme in the UK were arrived at. I know that that has caused some concern, but I will come back to it, because time is very short.

I do not have time to go into detail on what happened in Ireland, but it is important to place on the record that in an article in *The Irish Times*—I will ensure that this is also in the Library—Brian Cowen, then Minister for Health and Children in the Republic of Ireland, and currently Taoiseach, confirmed that the Irish Government knew in 1995 that the Blood Transfusion Service Board had been negligent and had attempted to conceal that fact.

Mr Slaughter: Will the Minister deal with the two points that I raised in my remarks? First, do the terms of reference permit the inquiry body to consider the issue of hepatitis C in it widest sense—that is, to give it full parity, including in relation to the ex gratia payments of £12,800 a year for HIV? Secondly, given that she says that there are only a small number of recommendations to be addressed, why does not the new inquiry consider all those remaining issues, including the level of ex gratia payments?

Anne Milton: I thank the hon. Gentleman. I will admit to a certain amount of ignorance. I do not know what I can do, but I will do everything I can within what I am allowed to do. It is important to say that I am very keen to get on with this. The danger with an inquiry that extends its remit is that it drags on and on, and this issue has dragged on for more than 25 years.

No fault has ever been found here in the UK—a fact that has been tested in the courts. In 1988, a group of haemophilia patients and their families sued the Government of the day. They settled their case outside court, midway through the proceedings, as their solicitors had advised that they had very limited chance of success.

Whatever happened all those years ago does not change the facts of today. In the United Kingdom, decisions over tax and spend are made here in this Parliament. The decisions of the Irish Parliament, like those of any other national Parliament, have no authority here in the UK. The debate on contaminated blood products has continued for many years, and I would like to close my remarks by again offering my sympathy and expressing my deep regret at the events, and by saying how sorry I am that this ever happened.

Thomas Docherty (Dunfermline and West Fife) (Lab): Does the Minister accept that the nervousness that follows her logic of not looking at other countries means that on a whole range of compensation issues the Government are now simply saying, "We are washing our hands of our responsibilities"?

Anne Milton: I am not washing my hands of any responsibility—I am taking full responsibility. I am determined to see this review completed by Christmas within the terms that I have laid out.

My right hon. Friend the Member for Charnwood (Mr Dorrell) summed up the implications of voting for the motion more eloquently than I ever can. We cannot commit to aligning our compensation payments to those made in Ireland, and we cannot support the motion.

This debate has been useful in two ways. It has given hon. Members a chance finally to let the depths of this tragedy be heard. It is absolutely dreadful that no time has been found to debate this issue on the Floor of the House before. Secondly, it has enabled us to discuss how we can move forward. I want everyone, including hon. Members and campaigners, to be able to make their views known and know that they will be taken into account. I want the review to be dealt with openly and honestly, with clarity, without party politics, with humility and with empathy.

I cannot turn the clock back and change events, but I will do what I can in the time I am in office to bring some closure to those affected.

4 pm

Mr Robinson: I think the whole House would agree that this has been an outstanding debate and has very much justified the new process for nominating Back-Bench business. I hope that in future we will have many such debates on important issues, debated in the same spirit as Members in all parts of the House have shown today in discussing a non-party political issue.

In essence, the heart of the motion, which I will press, is that an apology is due to the victims. I know that it is very difficult for Governments to give apologies, and the Minister came very close to giving one in saying that she much regretted what had happened. If it had been given in the same spirit as the Prime Minister's statement on the Saville report on Bloody Sunday, it would have been different, but it needed something a little more.

The second important element at the heart of the motion is the question of compensation. Some Members have said that they cannot vote for the motion because of the reference to Ireland, which is a foreign jurisdiction, and concerns about where we might go from there. However, whatever we had put in the motion, we would have had the same approach from the Government.

[Mr Geoffrey Robinson]

Members can try to salve their consciences in that way if they want, but the stark fact remains that the victims feel that they need an appropriate minimum level of compensation. They have asked us strongly to stick with the motion and put it to Members. We are going to put a marker down on how we think the Minister's review should come out.

I do not doubt the Minister's sincerity, and she has a long and distinguished history in the medical profession, but it is hardly an auspicious beginning for the Government to table an amendment intended to void the Back-Bench motion of its substance, then get their Whips up complaining to Mr Speaker about it, especially when it contains a figure that is out by a factor of three. The costs involved would not be more than £3 billion, as we learned from the distinguished hon. Member for Bracknell (Dr Lee), who is a medical practitioner. He said that they would be more like £1 billion. I cannot imagine how the Government have allowed that figure, which is not just salient but material to the debate, to continue to be discussed without correction.

Anne Milton *rose—*

Mr Robinson: I give way to the Minister so that she can explain that to us.

Anne Milton: I have said that I will place in the Library details of how those figures were arrived at. They came about not through a typo in Lord Archer's report but through careful consideration. The comparison with Ireland is difficult to make because the circumstances of those receiving compensation there are different, but that is not the salient point of the motion—it is whether we should align ourselves with a scheme set up by Ireland.

Mr Robinson: That is not the central point of the motion at all; it is utterly irrelevant to the debate. The debate is about justice for the victims of a terrible disaster, and whatever we had put in the motion we would have had the same attitude from the Government, which after all is the one that we have had from all previous Administrations. When I opened the debate I said that that we now had a golden opportunity for the Secretary of State to break with the past. He bears no responsibility for what went on, unlike some of us, including me when I was at the Treasury and the right hon. Member for Charnwood (Mr Dorrell) when he was at the Department of Health. The Secretary of State had a golden opportunity to put the past behind us and say, "A great injustice was done and a terrible misjudgment was made." Several Members have made it clear that the suffering of the victims and their families goes on, and he should have said that the Government would now take steps to correct it. To say that it would cost £3 billion when it would actually be less than £1 billion is, as I said, hardly an auspicious start.

Anne Milton: May I reiterate that recommendation 6(h) of the Archer report states that

"payments should be at least the equivalent of those payable under the Scheme which applies at any time in Ireland"?

Mr Robinson: I can assure the Minister that we will not withdraw the motion. It is not encouraging for us to put our faith in her when all she does is hide behind a technicality.

Dr Phillip Lee: I want to be clear about the point I made earlier. I await some clarification on the figures, but I will not support the hon. Gentleman's motion because it states that "a principal recommendation of the…Inquiry" is that compensation is based on the Irish compensation scheme. Am I right?

Mr Robinson *indicated assent.*

Dr Lee: I made it clear that I think we can decouple from that and that we should not pay out on the basis of a life expectancy that was in the 20s before a product came on the market. That is why I will not support him in the Lobby.

Mr Robinson: No motion of the House is ever wholly correct. I have never voted for a motion with which I totally agree—*[Interruption.]* I hate to say it, but we are reverting to party politics on an issue that has nothing to do with it. No motion is ever perfect. As the hon. Gentleman knows, we are debating a principle. We should recognise that there should be much more compensation—*[Interruption.]* If Conservative Members think that this is a laughing matter, I will leave it to them and their consciences.

Mark Durkan: Did my hon. Friend note that the Minister said that as well as placing in the Library an explanation of how the figures were arrived at, she would place a copy of an article from *The Irish Times*, quoting Brian Cowen, who was then Minister of Health in the Republic? Brian Cowen became Minister of Health in 1997, but the compensation scheme in the south began in 1996 and issued significant payments then. There are misleading versions of what subsequent tribunals said and what was admitted by the Irish Government, but the Irish compensation scheme was not based on that admission of liability or that knowledge.

Mr Robinson: I am very grateful to my hon. Friend for that intervention. Perhaps the Minister would like to say whether that is correct. Perhaps she does not know. The debate is degenerating into the to and fro of Opposition against Government interchanges. Let me assure the Health Secretary and the Minister that no one who has taken part in the debate really wants that.

The simple fact of why we are proposing this motion and resisting the Government amendment is that we are pressing for a recognition that a gross injustice has taken place and that it must be put right. That will involve high levels of compensation. We beg the Government not to believe the figures that are automatically produced to exaggerate the situation.

Mr Tom Clarke: Does my hon. Friend recall that when many of us were fighting for compensation for retired miners, we were given exactly the same arguments against—for 18 years? The question today is whether we are prepared to wait that long for a solution to this problem.

Mr Robinson: Again, my right hon. Friend makes the telling point that we have waited too long, but the problem will go on for longer. Why is the Minister defending further delay? Why is she defending £3 billion, and why is she giving out incorrect information? Let us not have a debate on that basis. We want Back Benchers in this Back-Bench debate to vote for the motion in my name because it does some justice to those who, for many years, have been condemned to a slow, lingering and very unpleasant death.

Question put.

The House divided: Ayes 44, Noes 285.

Division No. 76] **[4.8 pm**

AYES

Bailey, Mr Adrian
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Connarty, Michael
Cruddas, Jon
Cunningham, Mr Jim
Dakin, Nic
Davidson, Mr Ian
Davis, rh Mr David
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Doran, Mr Frank
Dowd, Jim
Durkan, Mark
Engel, Natascha
Evans, Chris
Evans, Jonathan
Farrelly, Paul
Gardiner, Barry
Green, Kate
Hamilton, Mr Fabian
Hollobone, Mr Philip
Howarth, rh Mr George
Jackson, Glenda
Kaufman, rh Sir Gerald
Lammy, rh Mr David
Lucas, Caroline
McCartney, Jason
McDonnell, John
McFadden, rh Mr Pat
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Mulholland, Greg
Murphy, rh Paul
Nokes, Caroline
Raynsford, rh Mr Nick
Robinson, Mr Geoffrey
Rotheram, Steve
Skinner, Mr Dennis
Vaz, rh Keith
Williamson, Chris

Tellers for the Ayes:
Valerie Vaz and Paul Goggins

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Steve
Baldry, Tony
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Mr Henry
Benyon, Richard
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newton, Sarah
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric

Opperman, Guy
Ottaway, Richard
Parish, Neil
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Sturdy, Julian
Swayne, Mr Desmond
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Wilson, Mr Rob
Wright, Jeremy
Wright, Simon
Young, rh Sir George

Tellers for the Noes:
Miss Chloe Smith and Mark Hunter

Question accordingly negatived.

Anti-Slavery Day

4.23 pm

Mr Peter Bone (Wellingborough) (Con): I beg to move,

That this House has considered the matter of Anti-Slavery Day.

It is probably close to 200 years since this House has debated slavery. As the chairman of the all-party human trafficking group, it is my great pleasure to open this debate, but it should not have been me opening it; it should have been the hon. Member for Slough (Fiona Mactaggart). I congratulate her on her pitch to the Backbench Business Committee and her success in securing this debate. However, once she had done so, she was immediately put into the shadow Government. She has risen like a phoenix from the ashes, and is now sitting by the Dispatch Box to answer for the Opposition. I congratulate her not only on securing this debate, but on her promotion.

William Wilberforce is a name that is synonymous with anti-slavery. In 1807, led by Wilberforce, an Act for the abolition of the slave trade was passed by Parliament. In 1833, the Slavery Abolition Act was passed. Why, therefore, are we here debating slavery, more than 200 years after the abolition of the slave trade? Perhaps we are celebrating the success of William Wilberforce; or are we here to congratulate ourselves that no slavery remains within the United Kingdom? We cannot do that. Slavery and trafficking are still far too common an occurrence. A frightening statistic is that there are estimated to be more than 27 million slaves in the world today. One in eight of them are in Europe, and at least 10,000 of them are here in the United Kingdom. How can that be true? When I walk around London or my constituency, I do not see slaves sweeping the streets or working in the fields. The fact that the problem is not as visible as it was in the time of William Wilberforce does not mean that it is not as important or as serious.

Keith Vaz (Leicester East) (Lab): The hon. Gentleman rightly paid tribute to the work of my hon. Friend the Member for Slough (Fiona Mactaggart), but will he join me in paying tribute to the work of Anthony Steen, his predecessor as Chairman of the all-party parliamentary group on human trafficking, for all his excellent work on bringing to the House's attention the slavery that is human trafficking? I am sure that he was about to mention him in his speech.

Mr Bone: I am grateful to my right hon. Friend—I shall call him my right hon. Friend today—for that intervention, but he will have to wait just a little longer before I mention the former Member for Totnes.

The three most lucrative criminal activities in the world are those associated with narcotics and with firearms, and the trafficking of humans. The first two criminal activities are well documented and vast sums of money are rightly invested in catching the criminals involved. Why then is the trafficking of humans—modern-day slavery—so badly documented, and why is so little invested in the fight against it? It takes place on the same scale as narcotics and firearms offences, and that gap needs to be addressed.

So where are all those slaves, and whom does this affect? In the United Kingdom, the main victims are women and children. They are often tricked into coming

to this country, usually with a promise of some sort of job. When they arrive here, they are often locked up and forced to have sex with up to 30 men a day. I shall give the House an example. I met a 14-year-old Kenyan girl who had been trafficked into this country by a middle-aged white man on a passport that did not bear her name and did not have her picture on it. She was taken to Liverpool, locked in a house and forced to have sex with numerous men. Luckily, she escaped after a few days and was helped by a national charity. She was one of the lucky ones, if you can call it lucky to endure what she had had to. She managed to escape, but how many girls do not manage to do so? How many girls are locked in houses such as those while we are debating this issue today? Even if there were just one, that would be one too many, but there is not just one; there are thousands.

We have some fantastic non-governmental organisations working with trafficked victims, including ECPAT UK, the POPPY project, the Human Trafficking Foundation, the Bromley Trust, the Tudor Trust, and Kalayaan, to name but a few. Their work must not stop. I have one single goal, however: I want all those NGOs and charities to become redundant, because they are no longer needed. That is my aim. As I mentioned, they do fantastic work with trafficked victims, but I believe that prevention is the key.

How do we prevent human trafficking? That is a very difficult question to answer. I believe that making the public more aware of the issue is a good first step. On 18 October, the UK will celebrate anti-slavery day for the first time. I would like to take this opportunity to thank my former colleague, Anthony Steen, for working tirelessly to make the Anti-slavery Day Act 2010 his lasting legacy to the House. He pioneered an approach to human trafficking that I am very happy to follow. Quite simply, he put modern-day slavery on the parliamentary map. Anti-slavery day will mark out what we all hope will be the beginning of the end of slavery in the United Kingdom and make the public aware of the gravity of the problem.

What can be done? First, we need to identify victims better. Very few ever approach local authorities to complain, and even if they do, those authorities might not realise that the problem has resulted from trafficking and modern-day slavery. The police are on the front line of trafficking. The individual police officer on the beat is the best and probably the first person to meet a trafficked victim, but does every police officer know what to do, how to help and to whom they should send the victim? We need to help the police and make them more aware of trafficked women. There needs to be a national protocol to help victims.

We also need to enhance the border control system and stop the traffickers from bringing in the victims in the first place. That is the very best way to end trafficking. The UK must be a country that it is just not worth the traffickers using.

Mr Robert Buckland (South Swindon) (Con): Will my hon. Friend join me in paying tribute to some of the excellent work done by the Metropolitan police in combating the evil of human trafficking in London? I echo the point I believe he is making well—I seek to reinforce it—about the lack of awareness and training in other police forces across the country. They will often come to dealing with a problem such as prostitution without having the wherewithal to understand, albeit with the best will in the world, that it is linked to the evil of slavery and human trafficking.

Mr Bone: My hon. Friend puts the case perfectly and I entirely agree with him.

Returning to the point about making this country one into which traffickers do not want to come, traffickers are interested only in the money. We need to make it so difficult for them that they do not want to try to operate here. That is why the coalition Government's new proposal for a border police provides an opportunity to put trafficking right at the heart of this new initiative. Trafficking must stop, but it will stop only with the help of everyone—here and across the nation. William Wilberforce did not pass the legislation to abolish the slave trade and to abolish slavery for political gain or to achieve votes; he realised there was a fundamental problem that needed to be addressed.

Tony Baldry (Banbury) (Con): I welcome my hon. Friend's comments. One difficulty dealing with trafficked women is that they often believe that they are here illegally. They do not go to the police because they are terrified that, if they do, terrible things will happen and the police will prosecute them. What does my hon. Friend think should be the immigration or legal status of people who find themselves trafficked here? Clearly, they are not asylum seekers in the accepted meaning of the term, so how do they fit into the immigration system?

Mr Bone: I am conscious of time and of the fact that many other Members want to contribute to the debate. I shall wind up shortly, but to answer my hon. Friend's point, these people are victims and they should be looked after; there are organisations such as the POPPY project that do look after them. We have a strange system at the moment whereby an adult victim of human trafficking gets better treatment than a child. Unfortunately, I do not have time to go into this further, as I note that so many Members want to speak in the debate.

Finally, I am ashamed to stand here as a citizen of this great nation and admit that we have failed William Wilberforce. After 200 years, the slave trade is still very much alive. In 200 years' time, I do not want another Member of this House to stand where I am today and admit that he is ashamed that they have failed in what we are trying to achieve today. The first anti-slavery day must mark the start of the decline of modern-day slavery in our country.

4.34 pm

Mr David Lammy (Tottenham) (Lab): Back in 2007, when Labour was in government, it was my great privilege to be asked by the then Prime Minister, Tony Blair, to help the country to prepare for the commemoration of the abolition of the slave trade. That was an important moment for this country, which brought people together across the House and, indeed, across the country to remember another very important moment in our history. Certainly in the cities of London, Liverpool, Bristol and Hull it was a hugely significant event. We recalled, of course, William Wilberforce, but also people such as Thomas Clarkson and Equiano and Ignatio Sancho—black and white men and women who made a difference to bring this awful trade to an end.

[Mr David Lammy]

I learnt much that year. I learnt about the many women in Britain who boycotted sugar in order to bring the trade to an end, and the many petitions and marches organised in cities such as Sheffield to say, "Enough is enough". It was an important year. Obviously it was an important year for me personally, because I stand here as the ancestor of those who found themselves—*[Interruption.]* I am sorry, I mean that they were my ancestors. That is how far back in history I was taken as I spoke. I stand here as the descendant of those who were enslaved.

As we remind ourselves of what the House has done to bring about the end of that terrible period in our history, we should bear in mind that it is hugely important for us to redouble our efforts in relation to trafficking as it exists in this country and around the world at this time. Tragically, it was in my constituency that the sad death of Victoria Climbié took place in the early part of this century. In the winter of 1999 to 2000, in a terraced house in Tottenham, she was terribly abused by a supposed aunt who had brought her here from Ivory Coast. Members will recall her dying, effectively, in a bathtub in that house, having been whipped, chained and terribly physically abused in this country. They will also recall the inquiry, the Laming report, and much that came out of her sad, tragic death.

That case put a spotlight on the nature of child trafficking in this country. We must all have hoped it would bring trafficking to an end, but it has not. Very sadly, in my constituency today I recall other children who have been trafficked. I think of Tunde Jaji, a young man brought here from Nigeria at the age of five. His case has now become a successful play, which was performed at the Edinburgh festival just this year. It, too, involved terrible abuse by a supposed aunt and her husband, again in the streets of Tottenham, and had a terribly dysfunctional effect on that young man. On this occasion, the story ends with some joy. A teacher at Park View academy, a wonderful woman called Lynne Awbery, took him into her own home, and nourished and supported him. He graduated from Bournemouth university with a fantastic degree in animation, and now dedicates himself to that.

Such tragic human cases sit alongside our concerns in the House, and in that context it is important for us not just to celebrate an anti-slavery day, but to ensure that we in this country, given our own past, honour and redouble our efforts in relation to this terrible crime. It worries me that the Government have chosen not to ratify the EU directive; I am hugely concerned about the fact that they have exercised the right to opt out on this occasion. I say that because of our own history in this country, and the important position that we have in the world in relation to these matters. It is very hard to encourage other countries to sign the protocol if we do not feel able to do so ourselves. It is very hard to say we are keeping our own house in order if we choose not to ratify. I therefore hope that the Minister might reconsider that position before he comes to wind up the debate.

I am also concerned that the Child Exploitation and Online Protection Centre is to be abolished, especially given the global nature of this country and the past that I have outlined, including the recent past in my own constituency. Events such as those that took place in my constituency are also happening throughout the rest of the country; estimates of the number of such children who might be here run into the thousands. It is also the wrong time to get rid of that organisation because of all we know about the sex trafficking of women, and younger women in particular. I therefore ask the Minister to reflect on that decision and to think of the great history of this country. Britain is a country that can make a huge difference in the fight against the human trafficking that is taking place across the country and the world. It is estimated that some 27 million people across the world are still in some form of bondage, whether in respect of a trade or domestic slavery.

This is an important issue therefore, and I ask the Minister to reflect carefully not only on our position in Europe but on the message we send in debating these matters and in choosing how to make a difference through treaties, directives and protocols.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. Members will have noticed that an eight-minute time limit has now been introduced.

4.42 pm

Tom Brake (Carshalton and Wallington) (LD): First, I congratulate the hon. Member for Slough (Fiona Mactaggart) on the significant and important role she has played in pushing this issue, and also on securing the debate. I echo the comments of various previous speakers about the role Anthony Steen has played in pushing this agenda and bringing it to the notice of Parliament; I agree with the hon. Member for Wellingborough (Mr Bone) that it is a great pity that he was not present today to participate in, and perhaps open, the debate.

Anti-slavery day provides us with an opportunity to reflect on our ancestors' role in this trade and on the fact that it is still an issue today. We are reminded of that almost daily. Literally a couple of minutes before the debate started, I had a chance conversation with my hon. Friend the Member for Colchester (Bob Russell) who has just been meeting to discuss the issue of St Helena. Apparently two of what he believes are the largest concentrations of graves of slaves anywhere in the world have just been found on St Helena. The island was used as a transit point and the slaves who had, presumably, died on the boats were off-loaded and buried on it. There are events even now that remind us of that past, therefore.

I also attended an event a couple of weeks ago to do with black history month. One of the speakers pointed out that although she was Jamaican her surname was clearly Scottish, and that that was because her ancestors had been slaves in an area where the landowner and keeper of the slaves—if I can put it that way—was Scottish and had passed on his surname to all the slaves working on his land.

Even more recently—just a couple of days ago—a Romanian gang was broken up. It is alleged—we will have to wait for the court case verdict—that it was responsible for using children for begging in the UK. Slavery is therefore not only a topic that we need to reflect on historically, but one that is present today.

Stephen Barclay (North East Cambridgeshire) (Con): I thank the right hon. Member for Tottenham (Mr Lammy) for drawing attention to the work of Thomas Clarkson, of Wisbech in my constituency, who did so much to gather the evidence on which the case was put by William Wilberforce in this place. Does the hon. Member for Carshalton and Wallington (Tom Brake) agree that one of the problems—one of the pockets—is to be found within the diplomatic community? Although this is a complex area in terms of the legal framework, diplomatic immunity should not be grounds for allowing conditions akin to slavery to exist.

Tom Brake: That is a very pertinent and topical point, although it might be slightly beyond my pay grade to respond to it on behalf of the Foreign and Commonwealth Office. Perhaps the Minister may use his response as an opportunity to put across the Government's perspective on that point.

Many forms of slavery are alive and well today, including bonded labour. People can enter bonded labour for something as simple as the cost of medicine for a sick child, and it then locks them into providing labour free or in exchange for food and shelter. That can be labour that they have to provide 365 days a year and it can be impossible for them to get out of that arrangement. As many hon. Members will know, Dalits fall into that category. Those are peoples in both India and other parts of the subcontinent who can end up in lifelong servitude, which often gets passed down through generations.

Tony Baldry: How does my hon. Friend suggest that we deal with that? Hundreds of thousands of people are involved in bonded labour in India, but India is a mature democracy, although one to which we still provide some development assistance. How and where does he suggest that we exert influence to help bring about the end of bonded labour in mature democracies such as India?

Tom Brake: I thank the hon. Gentleman for that intervention. The only tool at our disposal is the one that we are using at this moment: raising the issue and using that as a gentle encouragement to the Indian Government, and other Governments in the subcontinent, to respond to these challenges.

The time available does not allow an in-depth discussion about trafficking, although we had a fairly full debate on it just a couple of days ago. Inevitably, and correctly, that debate touched on the EU directive, and I simply wish to restate what I said then. I welcome the fact that the Government are reviewing the directive, but I hope that if it is clear at the end of that review process that the directive pushes us significantly beyond where we are on tackling human trafficking, the Government will then opt in to the directive.

In order to allow others their opportunity to speak in the debate, I shall finish by discussing just one other important point—the legal framework to tackle slavery in the UK. It is only this year that we have legislated to deal with an offence of forced labour or domestic servitude. At least we now have clarity, because the legislation is in place. Is the Minister in a position to tell the House whether there have been any prosecutions or convictions under that legislation, which has recently come into force? People will want to express emotional views in this debate, so I wish to conclude simply by saying that it is regrettable that we are having to have an anti-slavery day debate, because slavery is alive and well in the world. I hope that in future years—perhaps a number of years from now—such a debate will not be necessary.

4.49 pm

Lisa Nandy (Wigan) (Lab): Like the hon. Member for Carshalton and Wallington (Tom Brake), I come to this debate very pleased that we are marking the end of one of the most horrific practices in legal history, but concerned that a significant problem still exists in the UK, with large numbers of women, boys and girls still sold into slavery in this country every year.

Over the past five years, at the Children's Society, I have had the privilege of working with some of the remarkable children who have survived this horrific practice. Most were brought into the UK to be sold for sex, forced labour, domestic slavery or enforced begging. They were boys as well as girls and nearly all of them had experienced a combination of mental, physical and sexual violence.

This is a hidden crime, so it is incredibly difficult to persuade people that it still goes on. I can say to hon. Members that I am absolutely certain that this is happening in my Wigan constituency at this very minute, and in all constituencies across the country. I am pleased that so many Members have turned out to mark such an important debate.

The previous Government made significant attempts to tackle the problem and I want to pay tribute to the work that was done, particularly the ratification of the Palermo protocol and the Council of Europe convention. They were huge steps forward. The decision not to opt in to the EU directive was and remains the wrong decision, and I hope that the present Government will think again on that point. The Minister, for whom I have considerable respect, is known to be a humane man and is interested in this area. I hope that he will bring us some good news on that point.

It is simply not true that we already comply with the European directive on trafficking in human beings. Let me give hon. Members an example of a 17-year-old young man whom I have met and worked with. He was brought into the UK and forced to work illegally in a cannabis factory. After several years of that, he was picked up in a police raid at the age of 17. After several years of working in the most appalling conditions, with no natural daylight, subjected to cannabis fumes daily, he had significant mental health problems, as one would expect. Yet he was prosecuted for working illegally and for documentation offences. When I worked at the Children's Society, I was told over and over again, along with colleagues from ECPAT UK—End Child Prostitution, Child Pornography and the Trafficking of Children for Sexual Purposes—and other tremendous organisations, that this problem simply does not exist, yet every day we were seeing for ourselves that it did. I am sure that it still does.

When I came across the young man in my example, he was serving time in a young offenders institution and had, thankfully, come to the attention of the British Refugee Council, which was able to find him a good

[Lisa Nandy]

lawyer who got him out. I am outraged that that vulnerable young man should have been subjected to such treatment at the hands of the state—at our hands. I cannot help but think that had that young man been British the response would have been quite different. It is unthinkable that a child or young person who comes to the state and alleges such appalling abuse should be treated in such a manner. Far too often these children are seen as perpetrators rather than victims, and as immigrants rather than children. We all—on both sides of the House—should seek to change that.

The EU directive sets out explicitly that it should be possible not to prosecute victims. That would be a major step forward in our treatment of these children. My experience of working with children who have been subjected to slavery is that it is often simply not recognised that they are vulnerable, particularly when they are older—when they are 17, for example. They do not look like the very vulnerable young people they are, so they are not treated as such.

I have been told over years and years that we can achieve the standards set out in the EU directive simply by changing our working practices. That might be true, but it has not happened. While it has not happened, children like the young man I have talked about are subjected to further harm by the state, because we simply have not got this right.

Let me give one more example before I let other Members speak. I have worked with very young children—aged eight or nine—who are adamant that the person exploiting them is their uncle, their daddy or some other relative who has their best interests at heart. When young children have been deceived in that way, we have a huge problem. Their lawyer is duty bound to act on the instructions that that child has given. The EU directive sets out very clearly that child victims must have a guardian to represent them in the courts, who would be able to instruct the lawyer on their behalf. Without that measure, which we have singularly failed to introduce—and in so failing, we have failed those children—we will not see prosecutions and we will never bring to justice the evil people who are doing so much damage to children in our constituencies.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. I am grateful to the hon. Lady for shortening her remarks. As we can all see, many hon. Members want to contribute to this debate, so the time limit is being shortened to six minutes.

4.55 pm

Andrew Selous (South West Bedfordshire) (Con): It is a good sign that you have had to shorten the time limit, Mr Deputy Speaker, and I am pleased that so many hon. Members are interested in the subject.

The scale of this worldwide problem has not sunk in. My hon. Friend the Member for Wellingborough (Mr Bone) opened the debate by saying that 27 million people are in some form of slavery around the world, which is just less than half the population of the United Kingdom. That is a truly shocking statistic.

Some passion has been expended in this House this week, whether on the date of a referendum, the reform of housing benefit, the European Union budget, or contaminated blood. This subject, above all, is one on which we should expend considerable passion. We should state how outrageous it is that 200 years after Wilberforce got rid of the visible slave trade, that cruel and inhumane form of treatment of our fellow human beings has crept back.

We are discussing a truly global phenomenon, which is happening not only in this country and in Europe but around the world. Last night I trawled the internet and picked out relevant press cuttings from the past two days. There are press reports about trafficking across east Africa, and countries such as Tanzania, Kenya and Rwanda are forming a regional network to do something about it.

A national action plan has been established in Greece, where the situation is relevant to this country. Children and young people, often young girls, from Romania, Albania, Ukraine, Moldova, Bulgaria and Russia are often tempted to travel to Athens. Their families may be in economic difficulties, and they are lured to Athens by the prospect of a better life having been told that they will be working as, for example, a hairdresser. They are taken to Athens before being sent to Amsterdam, London, Hamburg or another great European city, where they end up working in brothels as captives. It is good to see Greece taking the matter seriously.

In Malaysia nine people have been arrested in the past two days, seven of whom are immigration officials. I ask the Minister whether we are checking our staff to ensure that they are not complicit with gangs.

Those examples illustrate that we are discussing a worldwide problem, but at the same time it is a local problem that happens in our constituents' streets. We know that brothels operate in private houses; we know that people are being used for domestic servitude in private houses; and we know that people are being forced to work as bonded labour in businesses that are close to us and to our constituents. We can all do our bit, because we can all be eyes and ears. We all need to look out and help the police and the authorities. Even buying Fairtrade chocolate provides us with an assurance that the chocolate that we are eating has not been produced by children who have been forced to work on cocoa plantations in Africa.

Prevention is obviously better than cure. How much public education and awareness raising is being done in the source countries from which people are being trafficked? How engaged are the Foreign and Commonwealth Office and the Department for International Development in trying to spread public education and awareness, so that those young girls realise that there is great danger in being lured to be a hairdresser in Europe, and that it will probably not end up that way.

As Members of Parliament we all have a close relationship with our local newspapers, yet virtually all those newspapers—this is certainly true of the five newspapers in my constituency—carry advertisements for "adult services", as they are euphemistically called.

Fiona Mactaggart (Slough) (Lab): The hon. Gentleman mentions advertisements in newspapers. Will he praise Newsquest, the newspaper publishing organisation, which has just banned such advertisements?

Andrew Selous: The hon. Lady is obviously a mind reader, to add to her other talents, because that is exactly what I was about to say. The Newsquest group has set an example, and I ask all hon. Members to ask the editors of their local papers to follow that example. That is something practical that we can do. This is not just about asking the Minister to do things; we can do things in our constituencies and we can get our constituents involved in doing something.

Can we have a minimum sentence for traffickers? Diplomats have been mentioned briefly. Any diplomat who is found to be involved in human trafficking should not have the right to be an accredited diplomat at the Court of St James's, but should be expelled forthwith. I think that that suggestion would find wide support in the House.

We desperately need better co-ordination between the police, the Crown Prosecution Service and the judiciary, because these cases often fall down. We need the Ministry of Justice to get the police and the CPS together to work out how we can have more success with getting convictions, of which there have been pitifully few in the UK. That is not for lack of trying, through legislation, by many of us in this Parliament. There is a real problem with things not working as well as they could.

We also need much better liaison between the police and local authorities. That is working well in some places, such as with West Sussex county council, Operation Paladin at Heathrow airport, and at St Pancras with the Eurostar. There are very good relations between the police and social services in that regard. In Westminster, too, there is a very good protocol between the police and the council on forced marriage and honour-based violence. They are looking into incorporating that further in relation to trafficking in connection with the MARAC—multi-agency risk assessment conference—procedures.

This is a big issue and a worthy cause for all hon. Members to pursue throughout their time in Parliament. We are called to this place to pursue big issues, and there can hardly be a bigger issue than this. Let me close with the words of Margaret Mead:

"Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."

5.2 pm

Keith Vaz (Leicester East) (Lab): It is a real pleasure to follow the hon. Member for South West Bedfordshire (Andrew Selous). He is right that this is a big issue. The fact that it unites my right hon. Friend the Member for Tottenham (Mr Lammy), my hon. Friend the Member for Wigan (Lisa Nandy), the hon. Members for Carshalton and Wallington (Tom Brake) and for South West Bedfordshire and others is a real tribute to the work that Anthony Steen pioneered in his many years in the House of Commons.

I have been here for 23 years; others have been here for as long as I have while others still have been here for a shorter period. What a legacy for the House and the country was Anthony Steen's private Member's Bill, which had the support of hon. Members on both sides of the House and produced the marking of anti-slavery day. I wish that he were here. Perhaps he is—perhaps, in a moment, he is going to pop in to tell us that we have gone on for too long, and should hear the benefit of his expertise. I am glad that his expertise remains in this House, as the hon. Member for Wellingborough (Mr Bone) has said. I pay tribute to the hon. Member for Wellingborough for picking up this torch; he will become just as distinguished in his time in ensuring that this remains at the forefront of concerns among parliamentarians.

Of course, this is an important issue. The Select Committee on Home Affairs conducted a very long inquiry into human trafficking, which lasted a year. The hon. Member for Carshalton and Wallington was one of the members of that Committee, which travelled to Russia and Ukraine. We took evidence from all the projects that have been mentioned today and we found, as my hon. Friend the Member for Wigan has pointed out, that victims were reluctant to come forward. We found out stunning statistics about what is the second-biggest illegal activity in the world after drugs. It is a billion-pound illegal industry, but it is very difficult to get people to come forward. That is why it is crucial that we have at our disposal the ability to track down the people traffickers.

I endorse what my right hon. Friend the Member for Tottenham said about the EU directive. It is very important that the Minister should reflect on this issue in the coming weeks and months and that we sign up to the directive. We cannot be kept apart from the rest of Europe when we need the support of other European countries to achieve the good and laudable aims that the current Government have in this area and that the previous Government certainly had.

I want to raise with the Minister three practical issues that will help us to achieve that aim. First, the Home Affairs Committee raised with the previous Prime Minister our concern about funding for the Metropolitan police's people trafficking unit, which was disbanded nine months ago. Despite that, we have had successes, such as during Operation Golf this week, when people were found to be trafficking in central London. The Met should keep such relationships going with police forces in other parts of the world—in that case, for example, in Romania. The funding and the provision of resources for that unit are extremely important, because we require expertise.

Secondly, the UK Human Trafficking Centre was moved, as the Minister knows, away from independence and into the Serious Organised Crime Agency, which will now be abolished and form part of the new national crime agency. I urged the Minister for Policing and Criminal Justice yesterday, during a debate about policing, to pause before the Government decide how the centre will sit within the national crime agency. The point about such organisations is that they have expertise beyond policing and act as a centre to co-ordinate many people and professions. It is vital that we retain such activity. I hope that the Minister before us will take up that issue with his ministerial colleague.

My final point is about the one issue that the Committee raised in its most recent report, because it is still a concern. There is no Europe-wide mechanism that brings together the origin, transition and destination countries of those who are trafficked. There is no such organisation. That work is done through conferences and meetings, and sometimes the European Union decides that it wants to be involved, but there needs to be a stand-alone organisation—a structure—to share good practice. When someone from Moldova travels through Greece, as the hon. Member for South West Bedfordshire said, and

[Keith Vaz]

ends up in Amsterdam, Bedford, Leicester, Wigan or wherever, they need to be tracked. That is not happening, but we have to ensure that those who are responsible for trafficking are prosecuted, because our record on such prosecutions is pretty bad.

I am absolutely delighted by the presence in the House of so many right hon. and hon. Members. We must keep debating the issue, because that is the only way in which we will effect real change.

5.7 pm

Justin Tomlinson (North Swindon) (Con): Thank you, Mr Deputy Speaker, for giving me the opportunity to speak in this crucial debate. It is a credit to the decision to introduce Back-Bench business, and my hon. Friend the Member for Wellingborough (Mr Bone) opened it with great distinction.

I share the concern that there are no robust estimates for the number of victims of trafficking in the UK. Having the figures for victims of trafficking is fundamental to raising awareness of the issue and ensuring that human trafficking is given due attention by local police forces. Moreover, without accurate data, support services cannot be properly planned. I therefore believe that the UK Human Trafficking Centre needs to do more in that area.

The introduction of the national referral mechanism in April 2009 has gone some way towards recognising victims of trafficking. However, I am concerned that only 361 individuals were accepted as victims of trafficking in the mechanism's first year, given that the estimated figure for such individuals is about 10 times that number. The dominance of the immigration authorities in the assessment and administration of the national referral mechanism is also a concern, as it emphasises the victims' immigration status and inappropriately associates them with illegal immigration, as the hon. Member for Wigan (Lisa Nandy) clearly highlighted.

Although the exact figures for victims are not available, there have been six arrests for trafficking offences in Wiltshire, which includes my constituency, North Swindon. Human trafficking does not have borders; it is a problem for the whole of the UK and it must be addressed as such, as my hon. Friend the Member for South Swindon (Mr Buckland) said. More needs to be done to support victims of human trafficking, and I shall focus on that point.

I have been incredibly impressed by the work of the homeless women's charity, Eaves. The POPPY project in London, which it runs, is invaluable in providing safety and support through accommodation, counselling, legal advice and outreach programmes. It provides 50 beds for victims of sex trafficking and nine beds for victims of domestic slavery, with a current occupancy rate of 100%. I welcome the further expansion that is occurring in London, Sheffield and Cardiff.

However, I remain concerned about whether victims from my constituency will have access to support and security services of that level. All too often, the victims are charged, then effectively released straight back into the arms of the gangs rather than being treated as victims. It is therefore vital that the new national co-ordinator sets out consistent standards of care, builds capacity, and raises awareness with local agencies and funders. Having been rescued from their living nightmare, all too often only temporary help is provided to them—a crying shame for these often exceptionally determined individuals, who rightly want to get their lives back on track and are hindered by their lack of formal education, qualifications and opportunities.

To tackle this, Eaves, along with partners Imperial college and the Women and Work initiative, has launched a scheme aimed at helping victims back into the workplace. HERA—Her Equality, Rights, and Autonomy—offers women from the POPPY project entrepreneurial skills and mentoring from some of the UK's most successful business women and men, and aims to give them the life skills and confidence they need to set up their own businesses or get into work. In many cases, the victims arrived in the UK highly educated, and through this scheme go on to further or higher education, more often than not with an interest in human rights law, and 25% even go on to set up their own business.

It was a great privilege to meet one of the founders of the scheme, Simon Stockley, who kindly set out three brief recent examples of where this support and training has made a real difference. First, a Russian lady has set up a successful Russian specialist bakery. Secondly, a west African lady has set up a fashion label, designing and making clothes. Finally, a Moldovan lady, with mentoring from a senior member of Saatchi and Saatchi, was not only able to secure work at a large H&M store but is now the manager. These real-life examples show just how important it is to provide these opportunities nationwide.

We are rightly stepping up our game to rescue victims; let us not then fail them. We have seen that by empowering the victims and restoring their confidence, we are providing an opportunity to start a new life. I urge the Minister to do all he can to ensure that victims have access to the support that they require and rightly deserve.

5.12 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): We should be focusing not so much on what is happening in the UK as the fact that there are still 27 million people in some form of slavery throughout the world. We should look seriously at the heritage left behind by Anthony Steen. He was not talking about the UK; he never talked about the UK. As a member of the European Scrutiny Committee, he travelled around Europe urging other Parliaments to set up similar organisations and to get their Governments focused on the problem, whether they were in the transit countries, the departure countries or the countries where the criminal gangs organised.

It is interesting to look back in history. Oddly enough, the story of Oliver Twist is based on factual historical records of the trafficking of Italian children who were scooped up in the villages and promised jobs, and then brought to the UK to be thieves and robbers in the Paddington area of London. There was never a Jewish Fagin organising that—there was an Italian gangmaster and an Italian gang.

This is not just something that happens locally, but, as we have heard, it is happening locally in people's constituencies, and in mine—two brothels were broken up, and trafficked women were found in both. Positive Action in Housing, based in Glasgow, does wonderful work in Scotland. Many Members have spoken about

their own local organisations that are helping people who are then released from such bondage—not just sexual bondage, but low pay or poverty pay. A Chinese gentleman came to see me after I spoke at the annual general meeting of Positive Action in Housing. He had been moved from one Chinese restaurant to another, throughout the whole of the UK, for nine and a half years, and told that if he ever went to see anyone he would be sent back to China. It is going on all the time. Sixteen children were recently rescued in London. In Scotland, in the three months up until August, the newspapers reported that 18 children were found in some sort of exploitation.

I urge us, as a Parliament, to look wider than we are at the moment. The hon. Member for Wellingborough (Mr Bone) is not completely carrying on the heritage of Anthony Steen if he does not focus on broadening the outlook. We should stop trying to throw a ring around the UK, and we should expand our movement outside.

Mr Bone: The hon. Gentleman is absolutely correct, of course—the ring needs to be around everywhere. I will let him into a secret. Anthony Steen and his Human Trafficking Foundation are working with the all-party group on human trafficking every week, and we intend to set up all-party groups across the whole of Europe, as Anthony wants.

Michael Connarty: Sign me up to that.

I wish to ask the Minister—I have never yet heard a decent reply to this question, including when I wrote to the Prime Minister in September—why the Government are not clear that we need to sign up to the EU directive on human trafficking. My right hon. Friend the Member for Leicester East (Keith Vaz) said that we need a Europe-wide organisation, and that is on offer in the directive. It is not a protocol, and it would be binding on all countries. We have sections 57 to 59 of the Sexual Offences Act 2003, but they are not capable of dealing with cross-border trafficking in the EU.

The EU directive would give us extra powers. It would give us not just the power but the duty to pursue any UK citizen, or anyone habitually resident in the UK, who was involved in trafficking anywhere in the world, with the support of the EU. It would be our jurisdiction, so we could do our duty by people who were trafficked and enslaved. It would also give us the option—it would be a power, not a compulsion—to decide to pursue anyone habitually resident in the UK who was involved in organising people trafficking, which can lead to slavery, outside the UK.

I give the following example quite seriously, not to diminish the terrible thing that happened to the McCann family. If Madeleine McCann were an adult young woman who had been trafficked out of Portugal by a gang of people who were not in the UK, we would not have had the power to take jurisdiction. It is true that we can go to Interpol. I went to Portugal during that terrible time, as the Chair of the European Scrutiny Committee, and we met the policeman sent from Lisbon to try to pick up the pieces of the local police's terrible approach immediately after the loss of Madeleine McCann. We realised the police's inadequacy, but although we had liaison officers we did not have the ability to send in the Met to do the job properly. We could have that power for an adult if we signed up to the EU directive. That is its greatest attraction to me—we would have a duty and responsibility to people in this country who may end up being trafficked.

At the moment, young women and men affected travel around and live in other parts of Europe. They do not necessarily always live in the UK. If they are trafficked out of other countries by someone who is not a UK resident, at the moment we have no jurisdiction. That is a very strong argument for the directive.

The hon. Member for South West Bedfordshire (Andrew Selous) came nearest to expressing the aspiration that existed when the decision to mark anti-slavery day was voted through in the House. It is a worldwide business that we must fight against. We must recognise the clear link with organised criminal gangs in the advanced economies of the world, particularly in the EU states and those around them. We must do everything we can to be vigilant locally. All the organisations that have been mentioned deserve support, and we must try to build an anti-slavery, anti-trafficking alliance at Government and non-governmental organisation level. I hope that the Minister, and eventually the Prime Minister, will recognise that one major step will be taken if we sign up to the EU directive on human trafficking and join that battle properly.

5.19 pm

Stephen Phillips (Sleaford and North Hykeham) (Con): It is a real pleasure to follow the hon. Member for Linlithgow and East Falkirk (Michael Connarty). We sit together on the European Scrutiny Committee and also share a common interest in the subject of this debate.

This is an historic and significant debate, and it is pleasing to see that so many right hon. and hon. Members wish to contribute. I welcome the advent of anti-slavery day, even though I was not in the House when the Anti-Slavery Day Act 2010 went through, not least because it is an important tool in bringing these issues into the limelight and giving them the prominence that they deserve. The one thing that is absolutely clear from the debate is that slavery is alive and well in our society and throughout the world. It is therefore right that the House discusses it. I should like to echo other hon. Members in paying tribute to Mr Anthony Steen, who is a great loss to the House. It is a great shame that he cannot be here to make his own speech today.

The simple fact is that it remains unacceptable 200 years after Wilberforce fought so long, so admirably and so hard against slavery that we live in a society in which slavery endures. It is perhaps not the same as in his time, but it is no less deplorable. In the 18th century, slavery was part of a distasteful and distorted economy, and was witnessed in the full light of day. Now, as the hon. Member for Wigan (Lisa Nandy) said, it is to a large extent invisible, hidden and underground. It is a hidden abuse of people who more often than not simply cannot speak up for themselves.

Of course, slavery surfaces from time to time. Sex trafficking is the crime that most often captures the media headlines, but earlier this week, Romanian children who were forced into working on the streets of the capital like Fagin's gang were rescued by Operation Golf. I pay tribute to the Metropolitan police for their work on that. I hope the Crown can in due course mount successful prosecutions of those responsible.

[Stephen Phillips]

It is worth remembering, however, that that is not an easy task. The women and children involved are often a long way from home. They do not speak the language and are away from such family as they have, and the authorities can seem remote and unhelpful. Getting valuable witness statements from those individuals—most often, it is women and children—is very difficult, particular given what they have suffered. The prosecution rate for such offences is woefully low. Will the Minister say what the Government intend to do about that? We have the laws, as has been said, but we do not seem to enforce them to their fullest extent. That might be a problem of mechanics, but I should like to know what the Government will do.

I also want to mention briefly, if I may, an issue alluded to by my hon. Friend the Member for North East Cambridgeshire (Stephen Barclay), namely the plight of domestic staff working in conditions that amount to slavery right here in London for embassy staff protected by diplomatic privilege. Unlike those on ordinary domestic visas, those on diplomatic domestic visas are not permitted to change jobs. They are stuck in their employment and with their employer, and essentially have no legal status. They do not and cannot go to the police if they suffer abuse. It is about time the Government dealt with that. The House is entitled to ask why we cannot get rid of those visas and issue normal domestic visas to those workers, which would enable them to have the same access to help as anybody else who needs it. What is the Government's position on that?

I end simply by reminding the House what Wilberforce himself said in the House of Commons in May 1789—of course, that was not in this building. He said that

"the nature and all the circumstances of this trade are now laid open to us; we can no longer plead ignorance, we cannot evade it; it is now an object placed before us, we can not pass it; we may spurn it, we may kick it out of our way, but we cannot turn aside so as to avoid seeing it; for it is brought now so directly before our eyes that this House must decide, and must justify to all the world, and to their own consciences, the rectitude of the grounds and principles of their decision." [*Parliamentary History*, 12 May 1789; Vol. XXVIII, c. 63.]

We are simply debating anti-slavery day today, but the decision for the future is whether we are prepared to continue to accept situations of slavery which pertain to our society some 200 years after Wilberforce and his colleagues successfully fought the battle to end slavery in this country.

5.24 pm

Alison McGovern (Wirral South) (Lab): It is a pleasure to follow the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips), who introduced the historical context of the debate. I listened carefully to other hon. Members speak about the current situation, which is vital, but I want to say more about the historical context.

I am from Merseyside. Members may be aware that Liverpool was at one time described as the slavery capital of the world. No one associated with the city has any pride in that, but it must be acknowledged. Ships out of Liverpool carried about 1.5 million enslaved Africans on some 5,000 slave ship voyages. In 2007, I was proud that National Museums Liverpool opened the international slavery museum on 23 August, the anniversary of the Haiti uprising, when enslaved workers fought for their liberty. The museum is only metres from the docks that once repaired the slave ships. At the time, Sir Peter Moores rightly remarked that we can come to terms with our past only by accepting it, and to accept it we need knowledge of what actually happened. There is a lesson in that about what is happening today, and I am pleased that the House is having this debate to bring to light important issues such as trafficking and bonded labour, which still exist in the world.

The resistance of enslaved Africans and the actions of abolitionists in Britain ended the transatlantic slave trade in 1807, but in the north-west of England the cotton trade maintained links with slavery around the world for many years afterwards. We need to recognise our history and acknowledge that while our predecessors as Members of Parliament abolished the trade, the conduct of members of the public was even more astounding—another lesson from history for us today. In 1788, 100 petitions were presented to this House on the subject of slavery, and 2,000 people from Sheffield—or 22% of the adult population—signed one of the petitions. In 1972, 519 petitions were presented and every county in England was represented and stood up for enslaved people around the world. One in 10 of the adult population was involved—an amazing aspect of our history that should be recognised. The overwhelming opinion was that slavery was an utter offence to human dignity.

When we discuss this issue, we need to reflect on what caused the uprising of emotion and outrage. It included the testimony of freed slaves, published in this country. Olaudah Equiano is probably the most famous example. He was born in Benin and later captured and sold several times by slave traders. Eventually, he came to this country, where he bought his way out of slavery for £40. He published his autobiography in 1789 and brought to the public's attention the horror of the middle passage. I need not remind Members of the conditions of those voyages on which people could be thrown overboard with little regard for their safety. The eyes of the British people were opened to the reality of slavery and they would not stand for it. That shows us about the morality that we all share. We care about each other and cannot stand by when others face pain and indignity. That is what makes change happen—human compassion and knowledge about what goes on.

Today has been important because we have reaffirmed our commitment as parliamentarians not to stand by in the face of human indignity. The POPPY project and its important work have already been mentioned. It has helped 700 women so far and we need to support its work. I look forward to the Minister's remarks on how we can ensure that the victims of trafficking in this country are treated with the utmost respect and care, and enabled to find a way out.

The historical context of the debate is important. We need to enliven public outrage and think globally. As some people said at the time, and as we know now, charity and compassion do not begin at home. No matter where human indignity exists, it is everyone's responsibility to promote action to change it.

5.30 pm

Neil Carmichael (Stroud) (Con): I am pleased to follow the hon. Member for Wirral South (Alison McGovern), who made an important point about the

anger and determination of people 200 years ago to do something about slavery, and about how we need a similar fury now about the outrages we are aware of here. Funnily enough, my constituency played a major part in the abolition of slavery in so far as one of my predecessors promoted legislation to abolish it in the 1830s, and an archway was erected to celebrate the end of slavery—it is one of the few such archways still remaining. The sad thing is that it celebrates the end of something that has not quite ended, and we need to bear that in mind in this very important debate. We need to excite that sense of fury and anger about slavery.

I want to make several points. The first is that we have to get a measure of the problem, and my hon. Friend the Member for South West Bedfordshire (Andrew Selous) did exactly that. The fact that 27 million people across the globe are in slavery is simply outrageous. We cannot tolerate it.

My second point is about the importance of border control. I hope that the Minister will highlight how that will be strengthened. It is critical that we tackle border control issues, and it is very important that we deliver meaningful results.

The Chairman of the Home Affairs Select Committee, the right hon. Member for Leicester East (Keith Vaz), put his finger on an important point. It is not just that they have come here that matters; where they came from and how they got here also matter. That international dimension needs a focus too, because we cannot just sit here on an island and say, "We're doing okay. How about the rest of you?" We need to take an international attitude. At the end of the day, as recipients of the problem, even if we deal with specific cases more satisfactorily, a threat will still remain, because people will still be trafficking from other places. We therefore need to use our influence to tackle the source of the problem and those who traffic.

That brings me to the EU directive against trafficking mentioned by several people today. As I understand it, we will be reviewing our position once that directive is confirmed. Furthermore, of course, we are signatories to the Council of Europe convention on action against trafficking, which is robust in its attitude. However, I hope that the Minister will look carefully at the EU directive, because if we are serious about taking action, we need to consider its impact.

I want to talk about the rule of law. A lot of people have talked about the legislation and measures already in place. Yes, they probably are in place, and we may need to strengthen some of them, but in this case the rule of law is being flagrantly abused by many. It is, therefore, a question of enforcement as well. We have to get the question of enforcement right, because, at the end of the day, a country such as ours should be able to pack a punch in that respect.

Angie Bray (Ealing Central and Acton) (Con): Does my hon. Friend agree that we should applaud an initiative by the Metropolitan police to press for legislation that would allow editors who continue to publish sex adverts that can then be linked to trafficking to be arrested and tried in court? Does he agree with the words of the deputy Mayor for London responsible for policing? He said:

"We don't allow drug dealers to advertise in newspapers so why should we allow traffickers to advertise prostitution?"

Neil Carmichael: I absolutely agree with my hon. Friend the Member for—Enfield?

Stephen Pound (Ealing North) (Lab): Ealing—always Ealing!

Neil Carmichael: Oh, yes, and I know where the hon. Gentleman comes from too.

I shall finish with this point. None of us in this House can be confident of our own dignity while others are entrapped or enslaved and therefore do not have theirs.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. The wind-ups will begin at 5.38 pm.

5.35 pm

Margot James (Stourbridge) (Con): Before I was elected to this place, I was vice-chairman of my party for women. In that capacity I worked quite closely with the POPPY project, and also with the Eaves housing group, of which many Members have spoken highly. I echo those views, and would like to pay a special tribute to one of its founders, Denise Marshall. She has worked on the issue unstintingly over many years, going to places that I would not dare go myself, on behalf of the cause. Indeed, she has been awarded a CBE for her efforts. I would like to share a few of the learnings that I have picked up from Denise and her colleagues on this terrible problem, and to compliment everybody involved in getting anti-slavery day on to the statute book. It is so important that we have these hooks to remind the general public and all the law enforcement agencies of the terrible problem that still blights our country.

Many Members have spoken about the international dimension. I would like to mention another dimension. Tragically, trafficking is not confined to a cross-border business. I am afraid that I hear increasing numbers of examples of intra-country trafficking. I should remind Members that children, and in particular young girls, who are residents of care homes in their constituencies are particularly vulnerable to the ruthless and evil people who try to get them out of that home environment, so that they can be trafficked to another part of the UK-where they will be more difficult to identify-and put to work in the evil, forced sex trade.

Another matter that I would like to pick up on was raised by the right hon. Member for Leicester East (Keith Vaz). He talked about the need for expertise in the enforcement agencies and the concerns of some Members, on both sides of the House, about the dilution of some of our specialist policing forces. As he said, there is undoubtedly a need for concentrations of expertise. That is most important. However, no matter how much expertise we can afford to fund, there will never be enough. There will always be a need for good, solid training of the wider police and of enforcement agency staff and personnel. As hon. Members have said, we are talking about a problem that can arise in any of the constituencies that we represent. Nowhere is safe, so we need to ensure that all the police are trained, and not just the specialist forces.

Several hon. Members *rose—*

Mr Deputy Speaker: Order. I am sorry that not every Member could get in, but that shows the interest in the subject matter of this debate.

5.38 pm

Fiona Mactaggart (Slough) (Lab): I know that Members will forgive me if I do not respond or refer to every contribution, but what is striking about this debate—a debate that I am rather proud to have provoked from the Back Benches, and which I am now responding to from the Front Bench—is the extent of concern and the shared views across those on all Benches. Ten months after he introduced his Bill—now the Anti-Slavery Day Act 2010—I think that Anthony Steen would be proud that we are about to celebrate anti-slavery day. That must be some kind of record for implementing a policy.

I want to focus on an issue that Members on both sides of the House have raised, which is the EU directive. The Minister has said that the Government's position on the matter will be reviewed, and I am grateful for that. I hope that he will forgive me for being boring about this subject—for continuing to persist with it—because he will recall that his party did exactly the same in opposition. Indeed, I recall the Prime Minister—then the Leader of the Opposition—claiming credit in March 2007 for the Government's signing of the convention, when he asked a question about it across this Dispatch Box and the then Prime Minister, Tony Blair, said, as I recall, "We're doing it on Friday." The argument that he made at that time still holds: this is an international problem, and we need the best possible international collaboration between the countries that create movements of people across borders and those that receive them. I hope that the review will be concluded speedily, and that we will opt into the directive. Members have made the need for that clear today. My hon. Friend the Member for Wigan (Lisa Nandy) also explained in very human terms why we cannot possibly opt out of providing guardians for children.

My next concern is about policing. There is a risk that centres of expertise, such as the one that the hon. Member for Stourbridge (Margot James) has just mentioned, could become diluted by being merged with other institutions. I recall the words of the hon. Member for Ashford (Damian Green), when he was the Opposition spokesman, in the debate on Anthony Steen's Bill. He said:

> "The existence of one central point of information on trafficking has clearly been valuable to police forces, the Crown Prosecution Service and other agencies." —[*Official Report*, 5 February 2010; Vol. 505, c. 555.]

He was talking about the UK Human Trafficking Centre, and told the House how such centres of excellence improved the quality of policing. I am worried that we now risk losing some of that specialist focus. We began to sense that risk when the UKHTC was merged with the Serious Organised Crime Agency, and further mergers into the proposed national crime agency and a move to elsewhere in the country will mean that it will continue to exist. The widely respected director of the Child Exploitation and Online Protection Centre, Jim Gamble, told the Home Affairs Committee recently that he believed he would be "fighting for airtime" in a national crime agency.

We need to focus on how we can improve the policing of human trafficking. It is not enough to depend on a specialist border force, because many trafficked people are unaware that they are being trafficked when they cross the border. At that point, the trafficking experience has not kicked in. We need all-through expertise in order to police the issue properly. I am deeply concerned that we are about to see a cut in the number of police officers, and, without these centres of expertise, we might find ourselves policing the problem much less effectively.

I urge the Minister to make another commitment, which involves one of the requirements of the EU directive. We need to lead the training of police officers in the policing of this issue. We know that, in the best forces, where there is effective collaboration between the police and social services, we can make a real difference on this issue. If there were a proper cascading of policy and information, so that every police organisation could be at the level of the best, we could make better progress on this matter. I hope that the Minister will tell us that that is going to happen.

The hon. Member for North Swindon (Justin Tomlinson) told the House that the national referral mechanism was overloaded. I heard from Kalayaan just two days ago how often it has to hesitate before referring someone to the national referral mechanism because to do so would be too burdensome, because its client would not be guaranteed advocacy, or because the bureaucracy involved would add to the stress being experienced by an already-stressed person. We need to ensure that the UK Border Agency's domination of the processes is squeezed out, as the hon. Gentleman rightly suggested, and that we use the voices of the voluntary sector and of those people who have advocated on behalf of trafficked women and children. Of course, it is overwhelmingly women and children—people who are already vulnerable—who are the victims of this vile trade. We should therefore use this expertise to protect women and children.

I hope that the Minister will also be able to assure us about prosecution policy—that there will be more prosecutions for trafficking crime, that they will be effectively conducted and that specialist prosecutors who understand the experience of the vulnerable people who have been trafficked will be used. I would like the Minister to inform us whether the offence of paying for sex with someone who has been subject to exploitation is being effectively prosecuted, as I am anxious that it is not. Will he also tell us how many prosecutions are happening, as they provide an important mechanism to prevent trafficking by reducing the demand for it?

After all, Anthony Steen passed his Bill and we are marking anti-slavery day because we want slavery and trafficking to come to an end. We have talked about ways of prosecuting those engaged in this vile trade and we have talked about ways of protecting the victims, but what we really need to do is to prevent it. To achieve that, we need effective international collaboration and effective international policing, and we need to ensure that the people who have been trafficked are not trafficked again.

One of the most horrific things about the victims is how vulnerable they are to being re-trafficked. Many trafficked people, after they have been rescued, are re-trafficked. We know, for example, that trafficked children brought into this country to work in cannabis farms—we have heard something about that experience today—who are taken into local authority care usually, and I mean usually, disappear within weeks or months

into the hands of their traffickers. If they are rescued again, they disappear again. It is unacceptable—and I believe every Member of this House believes it is unacceptable—for that to continue to occur.

I believe that the European directive provides a quite powerful mechanism that can be used to help in those circumstances by providing each child with a guardian. I want the Minister to sign up to the directive and I hope that he is going to tell us that he is taking steps to do so. If he does not sign up to it, however, the least he can do is to ensure that he really does what I am sure the Prime Minister believed we were really doing, which is doing everything in that directive.

I have been a Home Office Minister and, frankly, I know that Home Office officials have form in telling Ministers, "We are already doing that, Minister." I believe that this Minister might have the guts to say to those officials, "Actually, show me how. Here is the provision in the directive; show me precisely how it works. If you cannot show me precisely how, let us implement a policy to do it." I am scared that, with the cuts in policing and other expenditure cuts, even the protection that we are currently able to offer women and children will be watered down. I hope, however, that this Minister will not let that happen.

5.49 pm

The Minister for Immigration (Damian Green): I thank the Backbench Business Committee and, indeed, the hon. Member for Slough (Fiona Mactaggart). She instituted the debate from the Back Benches, as she said, but she was miraculously and rightly transformed to the Front Bench before this debate, so she can now reply on behalf of the Opposition. In listening to this debate, I have been struck not only by how passionate, but by how erudite many speeches have been. There is a huge amount of expertise in the House on this vital issue, as Members of all parties have said, and I will certainly take that away with me as we contemplate future policy.

We are here because, although the first anti-slavery day fell on 18 October, the Government have decided to align Britain's anti-slavery day with the existing EU anti-slavery day, partly as a reminder of the need for international co-ordination in this regard—a point made by the Chairman of the Select Committee, the right hon. Member for Leicester East (Keith Vaz) and many other Members in all parts of the House. I am sure that Anthony Steen would approve of our alignment with the EU in this context, although I am less sure that his successor as chairman of the all-party group would be quite as enthusiastic.

Anyone outside the House who is listening to the debate or will read the report in *Hansard* may be led to believe that Anthony Steen is no longer with us. I am happy to assure everyone that he was e-mailing me this morning, and I hope to see him somewhere on Monday so that we can jointly celebrate anti-slavery day.

The day will provide a focus for not just the work of Government, but—this is important—the contribution of the many voluntary sector groups that raise awareness and deal with the practical consequences of this terrible crime.

Jeremy Lefroy (Stafford) (Con): Will the Minister give way?

Damian Green: I will give way once, but that will be it.

Jeremy Lefroy: I am most grateful to the Minister. Will he also acknowledge the voluntary groups in the countries from which many people are trafficked? This week we have had the honour of a visit by Joseph D'souza of the Dalit Freedom Network, who will be in my constituency tonight. The network does tremendous work in India.

Damian Green: My hon. Friend has made a very good point. There are voluntary groups all over the world.

At the beginning of the debate, my hon. Friend the Member for Wellingborough (Mr Bone) said that prevention was essentially better than cure. In the short time available to me, I want to inform the House of the future direction of trafficking policy.

We all agree that trafficking is an appalling crime which treats people as commodities and exploits them for criminal gain. Combating human trafficking is a priority for the Government; what we have been discussing today is how it can best be achieved. We are seeking to improve the United Kingdom's response to the wider threat from organised crime, which includes trafficking. The Government's consultation paper "Policing in the 21st century" sets out our intention to produce a new strategy on organised crime, as well as referring to the creation of a national crime agency to make the fight against organised crime more effective. We therefore have an opportunity to ensure that there is specific consideration of the challenges involved in fighting human trafficking.

The Government intend to produce a new strategy on combating human trafficking, which will take up many of the points raised in the debate. I am sorry that I do not have time to deal with each point individually. The new strategy will be aligned with and published alongside the strategy on organised crime. It will reiterate the Government's intention to take a comprehensive approach to combating trafficking, both by combating the traffickers and by looking after the victims. It will mark a greater focus on combating the organised crime groups behind the trade. I agree with the Chairman of the Select Committee that an end-to-end approach is necessary.

The new strategy has four main components. It will enhance our ability to act early, before the harm has reached the UK; there will be smarter, multi-agency action at our border; there will be more co-ordination of our policing effort inside Britain; and victim care arrangements will be improved. Let me deal with those components in turn.

Human trafficking is obviously a cross-border crime, and our earliest opportunity to counter the threat is therefore in the source countries and the transit regions. By intervening early, we can prevent harm from being done to people and reduce the impact here in the UK. As many Members have pointed out, interventions abroad can appear far removed from a flat or a brothel somewhere in a British city or small town—or, indeed, in a factory or farm where people are exploited for labour services—but we know that early intervention produces results. For example, a three-year trafficking investigation by the Serious Organised Crime Agency and Lithuanian police, which concluded in 2008, led to the dismantling of six crime groups in the UK, prison sentences totalling 145 years for 17 people in the UK and Lithuania, and the recovery of 32 victims. That is the kind of action that is needed all over the world.

[Damian Green]

What we are proposing is to bring together our political and diplomatic activities along with our enforcement efforts. We want to ensure they share common objectives, focused on places where criminal operations are based. That will be done in partnership with the source countries. We will therefore look at the full range of interventions open to us. Through political and diplomatic dialogue, we will build political will to combat trafficking and translate that into initiatives on the ground in other countries. We will protect potential victims by intercepting the traffickers before their activities impact on the UK. That is the first step.

The second step is at our border, which is the next line of defence against traffickers. As many Members have said, combating trafficking at the border is difficult, not least because victims will often be unaware of the traffickers' real intentions. Increased vigilance and more effective deterrence and interceptions are key. This will be one of the tasks of the national crime agency and its border police command. We want to embed that thought inside the new BPC in order to enhance our response at our borders. We will also look at how we can build on the success of the multi-agency child safeguarding and investigation teams at some of the UK's ports, and we will continue to roll out the e-Borders programme. That captures passenger and crew movements into and out of the UK and can be used to identify and intercept those suspected of a number of offences including trafficking.

The third step is inside the UK. Our domestic law enforcement response to trafficking will remain a vital part of our overall enforcement efforts. Significant progress has been made in raising awareness of trafficking and the capability to combat it among police forces through enforcement operations and mandatory training on trafficking for all new police officers. That is a step forward. The UK Human Trafficking Centre is an important resource in helping police forces by offering tactical advice, co-ordination and intelligence. Through the new strategy we will ensure that there is more effective strategic co-ordination of our existing efforts and that that leads to more targeted enforcement action on the ground. What that means in practice is that there needs to be clarity about the roles and responsibilities of police forces in combating human trafficking on the streets of Britain and better co-ordination, for example through tools like the control strategy on organised crime, which provides a framework for action by law enforcement agencies.

The fourth step is victim care, which is very important. As I have said, we want to have a greater focus on enforcement, but our aim is to prevent harm being done to people. Trafficking is a covert crime and the victims are often unaware that they are being trafficked until it is too late. When that happens, we need to ensure that we have the right arrangements in place to meet the care needs of victims. That will remain central to our approach. The Government are committed to ensuring that the UK meets its obligations to victims as set out under the Council of Europe convention on trafficking, which was signed a few years ago. More than 700 potential victims were referred in the first year after the convention was implemented, which is a significant achievement. We are committed to improving our response. We also plan to introduce a more effective system of victim care that takes better account of the needs of individual victims and ensures that each identified victim receives an appropriate level of support. We will announce further details of these proposals shortly. I should add that many practical suggestions were made during the course of the debate, which I will take up and feed into the process.

Of course, the comprehensive spending review will be announced next week. As we have already made clear in relation to the NCA, we will make sure that more law enforcement activity is undertaken against more organised criminals and at reduced cost. To achieve that, we will prioritise resources by targeting the most serious criminals and being more joined-up, particularly in our activities overseas; we often have different agencies operating in foreign capitals and other large cities who do not work together as effectively as they should.

The European directive has been a dominant theme in many Members' contributions. The draft directive does not contain any operational co-operation measures from which we think we would benefit. It will improve the way in which some other EU states combat trafficking, but it would make little difference to the way we combat it. As I have said however, the directive is not yet finalised so if we conclude later that it would help us fight human trafficking, we can opt in then.

In conclusion, we will re-focus our efforts and make sure that this country maintains its reputation as a world leader in trying to end the disgusting and unacceptable survival of slavery in the modern world.

6 pm

Motion lapsed (Standing Order No. 9(3)).

East Coast Inshore Fishing Fleet

Motion made, and Question proposed, That this House do now adjourn.—*(Jeremy Wright.)*

6 pm

Peter Aldous (Waveney) (Con): I am grateful to you, Mr Deputy Speaker, for giving me the opportunity to debate the future of the east coast inshore fishing fleet. This matter is of great importance, both to the fishing fleet in Lowestoft, in my constituency, and to other ports along the east coast and elsewhere in Britain. Although there is much wrong with the way in which the industry is governed today, I shall say from the outset that I exempt from any criticism the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury (Richard Benyon), who is responsible for the natural environment and fisheries.

As a shadow Minister and now as a Minister, my hon. Friend has spent a great deal of time travelling around the coast, meeting and listening to fishermen, hearing at first hand their worries and subsequently doing what he can to address their concerns. That includes obtaining additional sole quota in August when the east coast fleet had no fish to catch. Last month, he and I met Lowestoft fishermen and discussed with them the problems that they face, and he subsequently came back with considerable speed to arrange for a delegation of fishermen from Lowestoft to meet him in Whitehall in December to discuss their plight more fully.

Much of Lowestoft, as it stands today, was built on the back of the fishing industry. As well as a substantial deep sea fleet, a network of supporting industries grew up, including shipbuilding, net and rope manufacturing and processing factories. Ross Foods has long since gone, though Birds Eye remains as an important employer, despite no longer processing fish from its factory in the town. The railway used to run into the fish market, and fish sold in the morning was on London dinner tables in the evening. "Fresh fish from Lowestoft" was and still is an evocative cry, although sometimes today it rings hollow because the fishing industry is much diminished and is facing a fight for its very survival. Most of the deep sea trawlers have long gone, as have all but one of the shipyards and many of the supporting industries. However, an inshore fleet remains, which, with the right policy framework, can not only survive, but flourish.

I am conscious that time is short, Mr Deputy Speaker, so I shall set out the problems that the fleet faces, not only in Lowestoft but along the east coast, and conclude with a few thoughts on how a sustainable and financially viable long-term future can be secured.

Inshore fishermen face five problems. First, the common fisheries policy is over-centralised and fails to respond to local needs. It is too cumbersome, unwieldy and centralised, and the forthcoming review in 2012 provides an opportunity to address the problem.

Secondly, the regime palpably fails to achieve its prime objective of conserving fish stocks and causes untold damage to the marine environment. Young fish are caught before they mature and there are inadequate incentives for the long-term management of stocks. Thirdly, the British under-10 metre fleet gets a raw deal, despite making up 85% of the British fishing fleet.

Sheryll Murray (South East Cornwall) (Con): Does my hon. Friend agree that the Minister has inherited a disastrous problem with the under-10 metre quota? The previous Labour Government introduced fixed quota allocations, pinned the under-10 metre quota to a grossly underestimated figure and then failed to address the situation when it came to light with the registration of buyers and sellers. Our Minister has inherited a problem arising from the inaction of the Labour party when it was in government.

Peter Aldous: I thank my hon. Friend for that intervention, and I agree that the Minister has inherited an unenviable problem. There is a common perception that all fishermen have overfished the sea and are now reaping their own whirlwind. However, it is important to distinguish between deep sea trawlers and the inshore fleet, which fishes sustainably with long lines.

The quota system, which is meant to conserve fish stocks, has spawned the obscene practice of discards. Fishermen go out to sea and once they have reached their quota they throw back perfectly healthy fish that they cannot land owing to the threat of criminal prosecution hanging over their heads. A Lowestoft fisherman has told me how only two weeks ago in five days he had to throw back dead 1,300 kg of skate; eight other similar sized boats have probably been forced to do the same. That makes 11,700 kg of dead skate thrown back into the sea in just five days—11.5 tonnes in one fishery. When one takes into account the fact that this is happening all around the British coast, one realises that the waste, destruction and pouring of money into the sea is mindboggling. In that fisherman's own words, the system not only stops him making a living and making long-term business investment plans but is decimating a national resource. If he was allowed to land just 20% of his discards, he could cover his expenses instead of operating at a substantial loss.

The final problem that we face is that quota has become a tradeable commodity, with legal entitlement. It is often owned by faceless investors, known as slipper skippers, who have no connection with the fishing industry and who lease the quota to fishermen at a substantial profit. That should be contrasted with the sugar beet regime, where ownership of quota remains with British Sugar, which makes it available to individual farmers both large and small.

The problems have created a frankly ridiculous and unsustainable situation. As I mentioned earlier, most of the deep sea-trawlers have left Lowestoft. However they still operate and fish the same grounds, although, as the quota was sold to a Belgian, the boats are now based in Belgium. Now and then the boats come to rest in Lowestoft, where the catch is unloaded and driven by lorry to Belgium or Holland. Much of it is then bought by Lowestoft-based processors and driven or flown back.

That is the position in which the inshore fishing fleet finds itself today. If the regime remains unchanged, the fleet, both in Lowestoft and elsewhere around the UK coast, will cease to exist. It is important to remember that just as farmers are the guardians of the land, fishermen are the custodians of the sea. None of them wishes to be aboard the vessel that catches the last fish. They all have an interest in creating and managing sustainable fisheries.

[Peter Aldous]

There is a solution, there is a way forward and there is a better way of running the industry. I do not have the answers and nor do the bureaucrats or officials, but I know the people who do: the fishermen, the scientists and the others who work in the industry.

Let me set out five ways in which the situation can be improved. They are based on proposals made by the WWF and those running the east sea fisheries district. First, there must be a move from the current top-down micro-management. The EU's role should be to set high-level objectives. The Commission should not get involved in the day-to-day management of fisheries around such a large and diverse continent.

That takes me to my second point: the day-to-day management should be carried out locally by fishermen, scientists such as CEFAS—the Centre for Environment, Fisheries and Aquaculture Science, which has its headquarters in Lowestoft—and representatives from the Marine Management Organisation and the Department for Environment, Food and Rural Affairs. These are the people who know the fisheries best. Such an approach, with management decisions being taken by those who are involved in each specific fishery, is very much the big society in action. It involves politicians getting out of the way, departing the scene and leaving those who know best to run their own industry.

Thirdly, the quota system should be relaxed and replaced with a maximum hours-at-sea means of maintaining fish stocks and controlling fishing. That will eliminate discards with fishing hours being varied over a year to take account of the level of stocks and weather conditions. If necessary, fisheries can be closed when stocks run low.

Fourthly, it is important to use science in the future management of fisheries, both monitoring the amount of fish caught and recording fishing activity. For example, a vessel monitoring system—a VMS—could be fitted to all vessels that would provide detailed information on the state and seasonality of individual fisheries. That will help provide better information to assist in marine planning decisions, not only on fishing but on wind farms, dredging and marine conservation zones.

Finally, I am mindful of the fact that today the North sea is an increasingly crowded place. As well as fishing grounds, there are shipping lanes, dredging areas and wind farms. The latter have an important role to play in Lowestoft's future, but more about that on another day.

It is important that the marine environment is managed sustainably and responsibly. The Marine and Coastal Access Act 2009 provides a framework for that, although it is important that decision making takes place locally, that all interested parties are involved and that decisions are made promptly with the benefit of all the facts that science can provide.

At the current time, the outlook for the fishing industry in Lowestoft and along the east coast does not appear bright. In the past, however, Lowestoft has adapted to change and has bounced back. The challenge that politicians across Europe must address as a matter of the highest priority is to provide a proper policy framework in which the inshore fleet can rejuvenate itself and move forward, providing a fair living for all those working in it. The comments of Maritime Affairs and Fisheries Commissioner Maria Damanaki, which were reported in today's *Financial Times*, provide encouragement that the seriousness of the situation is now appreciated.

The Sam Cole Food Group, fourth-generation Lowestoft fish merchants, has recently made a bold decision and invested £2.5 million in a new processing factory. We owe it to those fish merchants and all those working in the fishing industry in Lowestoft and elsewhere around the British coast to do all that we can to reverse 30 years of decline in an industry that is at the heart of this island nation. I personally will not sit back and rest until a fishing regime that has almost destroyed the Lowestoft fishing industry is itself discarded and thrown overboard.

6.12 pm

Laura Sandys (South Thanet) (Con): My hon. Friend the Member for Waveney (Peter Aldous) has made an excellent speech and his five key points were precise. I have little to add, other than my constituency interest and that of the neighbouring constituency, Canterbury, which includes Whitstable.

In the past couple of months, the Minister and the Department for Environment, Food and Rural Affairs have bent over backwards to assist us in resolving the quota problem that we experienced this summer, and I thank them for their work. However, we are approaching the end of this year, when we will start the new allocation of quota for next year. I know that the Minister will assist us again, but that situation reveals the byzantine, unworkable system with which the fishermen, the Department and the authorities must work.

We all realise that the big prize is the reform of the common fisheries policy. On the inshore fleet, my local fishermen and I believe that some important measures need to be considered. If we can reopen the issue of controlling effort and examine technical measures rather than more prescriptive forms of management of our fisheries, my fishermen and many others along the east coast will be extremely grateful.

6.13 pm

Sheryll Murray (South East Cornwall) (Con): I rise to declare an interest, because I have spoken in this debate. I am the wife of a trawler owner. My husband's trawler bears the registration "LT1", which was originally from the constituency of my hon. Friend the Member for Waveney (Peter Aldous). My husband owns one of the vessels that has been displaced from Lowestoft, so I have seen how the port has declined over a number of years.

6.14 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): Let me start by congratulating my hon. Friend the Member for Waveney (Peter Aldous) on securing this welcome debate on the future of the under-10 metre fishing fleet. He represents his fishing fleet extremely well and is an assiduous lobbyer on its behalf, so it is lucky to have him. That is also the case for my hon. Friends the Members for South Thanet (Laura Sandys) and for South East Cornwall (Sheryll Murray), and for

many other, often new, Members, who have taken on board the needs of and the problems facing their fishing communities with commendable spirit.

I have made no secret of the fact that the issues facing this part of the fleet are particularly challenging, as has been discussed tonight. I am personally committed to improving fisheries management for the inshore fleet, but that will require difficult decisions and have implications for all parts of the industry. It is therefore crucial that we all work together as part of the big society, as my hon. Friend the Member for Waveney said, to develop effective and practical solutions.

My hon. Friend mentioned Sam Cole, the fish merchant in his constituency, whom I have visited twice now thanks to his good offices. I have been struck by an important statistic that has stayed with me as I have gone around the coast in this job: of the fish that Sam Cole's father or grandfather—whoever started that business—sold, 90% used to be landed in Lowestoft and 10% used to be bought in, but those percentages are now precisely the reverse, and that has changed in a very few years. I am delighted that he is investing in the town and in this important industry, and I wish him and his fellow traders in the port well. I hope that there will still be a fleet there to represent at least part of what he seeks to sell.

There are two strands to this subject: what we need to do now, which is to provide some relief to the immediate issues, and what we need to do in the long term, which is to move the whole fleet, around the coast, towards a more sustainable future. In the current economic climate and with the downbeat prognosis for quota allocations in the coming year, all sectors of the UK fleet are finding things difficult, and things are likely to get tougher in the short term. I shall not hide from that fact. I will go to the December Council negotiations with the aim of securing the best deal for the whole UK fleet, but it is unlikely that the quota allocations will be higher than last year's. However, I believe that we can take further steps together towards maximising the potential wealth from this quota, as has been demonstrated by the recent success in securing additional quota for the under-10 metre fleet by collaborative working between the Marine Management Organisation and producer organisations. I shall continue to push for more of that. I am grateful to hon. Members who have mentioned this, and I pay tribute to the new MMO, which has worked extremely hard with hon. Members and fishermen to ensure that the fisheries could stay open this summer.

It is imperative that while trying to provide short-term relief, we continue to focus on the future. I have been delighted with the progress that has been made towards our long-term goal of a socially, environmentally and economically sustainable inshore fleet in the relatively short time that I have been in my post. The sustainable access to inshore fisheries, or SAIF, project was established by the last Government to help to achieve that goal, and I have built on the work that they set in train. I welcome the recommendations that were recently made by the advisory group, which has not shied away from addressing the big questions. I have been particularly impressed by the willingness shown by the inshore and offshore sectors in coming together to discuss a range of issues relating to the reform of inshore fisheries management in an informal working group. That valuable insight from industry, along with extensive research into the environmental, economic and social impacts of the inshore fleet, is feeding into the SAIF project, which aims to consult on proposals for reform in the new year.

Any changes to the way in which our fisheries are managed both inshore and offshore will be more effective if they are implemented across the UK, and we are working with our colleagues in the devolved Administrations to share ideas and disseminate best practice. The SAIF work is also crucial in developing our negotiating position on reform of the common fisheries policy, helping to crystallise our thinking in relation to more localised management, self-regulation, differentiated management regimes, rights-based management and safeguarding the potential benefits of the small-scale fleet. CFP reform will play a crucial role in setting the framework for sustainable fishing, but there is much that we can do within our existing system, and we are taking action now.

My hon. Friend the Member for Waverey mentioned discards, which are a waste of natural resources. They are as much an affront to fishermen as they are to consumers. In fact, they are probably more of an affront to fishermen, who, in a hungry world, have to carry out the hideous task of throwing perfectly edible fish back into the sea, dead, never to be eaten by any human being. That is a ridiculous product of a failed and bankrupted system, and a real example of why we have to change the common fisheries policy. I am committed to minimising discards. I say so with regret, because I want to eliminate them, but I recognise that although we must set our sights high, in the short term we must be realistic and seek to minimise discards. I shall therefore push strongly to bring about those changes to the CFP which in time will achieve that aim.

Within the UK we have already made great progress in demonstrating the potential to reduce discards through more selective gears and fishing methods. The current catch quota project aims to pilot an alternative management system based on catch rather than landings quotas, thereby removing the need for excessive regulation and bureaucracy. It puts the responsibility on fishermen to use their knowledge and skills to fish more selectively to optimise the value of their catch. I hope that as the project progresses, we will be able to build on that and involve more parts of the fleet. The new Fishing for the Market project is also looking at how we can maximise the wealth from all, and often discarded, parts of the catch.

The low-cost vessel monitoring project involves scientists and fishermen working together to improve data collection. That is important, too, because since shadowing this job and now doing it I have discovered that around many parts of our coast there is a gulf in understanding between fishermen and scientists. There is good practice, much of it in the south-west, but elsewhere, too, where scientists and fishermen now work closely, and I want to encourage that in any way I can.

The introduction of inshore fisheries and conservation authorities will strengthen the local management of fisheries, based on greater self-determination by those who make a living from the sea. We want to ensure that fishermen are well represented on those authorities. The strategy developed in the SAIF project will provide the basis for a more sustainable fleet, enabling solutions so those other issues are addressed. Reform of fisheries management must empower fishermen and their local

[Richard Benyon]

communities to take control of their destinies. We need to move away from arbitrary divisions within the industry to a more unified system where more local needs can be reflected.

Some of the themes being discussed in the CFP reform can have a real impact, and they include rights-based management and regionalisation. I know that uncertainty breeds fear in an industry that has suffered greatly over the years, but as we develop our thoughts, in consultation at every stage with the inshore fleet and the fleet around the whole of the UK, I hope that a degree of trust—something that has been absent for too long—can be built, together with the real belief that we can turn a corner and make a real difference to the livelihoods of small coastal fleets, such as the Lowestoft fleet in my hon. Friend's constituency, and those elsewhere.

Places such as Lowestoft have a strong fishing tradition and strong community support for the industry. They are already building the foundations needed to thrive under a reformed system. I again thank my hon. Friend for raising this important issue. I welcome his enthusiasm for supporting his local fishing industry. I note his five solutions; they have been listened to and they will be reflected on as we progress.

I am delighted to be able to end on a positive note with congratulations to my hon. Friend and to his neighbouring MP, my hon. Friend the Member for Suffolk Coastal (Dr Coffey), who have worked hard to help to achieve and secure a £1.2 million grant from England's European fisheries fund to support a major development at the Southwold port. I understand that it is not specifically in his constituency, but in the same fisheries area. I want to encourage and applaud that kind of working together of colleagues in this House, pushing for projects that give a sustainable future for their industries. I hope that by working together we can secure a future that will see developments that benefit fishermen for generations to come.

Question put and agreed to.

6.25 pm

House adjourned.

House of Commons

Monday 18 October 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Work Programme

1. **Elizabeth Truss** (South West Norfolk) (Con): What progress his Department has made towards the launch of its Work programme providing personalised assistance to those out of work. [17481]

3. **Julian Smith** (Skipton and Ripon) (Con): What progress his Department has made towards the launch of its Work programme providing personalised assistance to those out of work. [17483]

The Minister of State, Department for Work and Pensions (Chris Grayling): I am pleased to inform the House that the contracting process for the Work programme is going well. We have had more than 100 expressions of interest from would-be prime contractors. We will announce those who will be on the framework in late November and we will then move on to the next stage of contracting. All is on track to launch the Work programme in the first part of next year.

Elizabeth Truss: Is the Minister aware of the work of the Keystone Development Trust in Thetford, particularly the social enterprises it runs such as the green bikes scheme, which helps local people to get into work and gain practical skills? It is setting up a pilot that is due to be launched in November. Is the Minister willing to come and see the pilot in action?

Chris Grayling: I am delighted to hear about the work that is being done in my hon. Friend's constituency, and when I am next in Norfolk I shall be delighted to find out more about the work being done there. Her comments underline the very important role that the voluntary sector and social enterprises play in getting people back to work. That is why we stipulated that prime contractors for the Work programme must demonstrate an ability to forge a team of specialist organisations, including social enterprises and voluntary sector bodies, that have the expertise that we need—either on a localised, geographic basis or in dealing with specific groups with a particular need—to ensure that we get people back into work. It will be a requirement of the Work programme that they have a place at the table.

Julian Smith (Skipton and Ripon) (Con): May I urge my right hon. Friend to select a number of providers who have strong roots in rural communities both in advising clients and in networking among the rural labour market?

Chris Grayling: I absolutely assure my hon. Friend that that will be a factor. As we select organisations to fill different geographic parts of the Work programme, bidders' ability to demonstrate a knowledge, awareness and understanding of the geography they will be dealing with will certainly be a factor for us. In substantially rural areas, it is essential that organisations have the expertise to deal with the particular challenges of the rural economy and not simply with those found in towns and cities.

Geraint Davies (Swansea West) (Lab/Co-op): Does the Minister agree that the best personalised assistance that could be offered to a couple with six children who are facing the £500 benefit cap would be to advise them to split into two single-parent families of three children? As a family, they already consume £500 in benefits plus £250 in housing benefit, but as two separate units they would get £250 each in benefits plus £250 in housing, thereby costing the Exchequer £1,000, using two houses and being a split-up family.

Chris Grayling: I hope that the hon. Gentleman will recognise how important it is that work pays in our society and how frustrated working people are that it is possible for a family to receive, when the tax equivalent is taken into account, an income comparable to £35,000 a year in benefits. If we are to send the message that work pays, we have to limit the amount that the state supports people when they are outside work.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): The Minister will be aware of the pilot scheme operating in Aberdeen and Aberdeenshire. In this extremely rural area, people are being asked to travel significant distances to appointments and the availability of suitable public transport is very limited. Will he consider taking appointments to the rural communities where people are rather than asking them to travel long distances to jobcentres?

Chris Grayling: One reason we are doing the two pathfinder projects is to understand precisely the issues and challenges that we will face when we roll out the programme nationwide next year. I am very happy to consider any of the lessons that have been learned from the experience in Aberdeen and Aberdeenshire to see whether we can do things better. In the mean time, we have provided additional funding to the two towns and cities involved in the first programmes—Burnley and Aberdeen—so that local needs that arise during the process can be met.

Mr David Ruffley (Bury St Edmunds) (Con): I applaud the payment by results model: it has worked in America and Australia, and it will work here. May I draw my right hon. Friend's attention to the Department for Work and Pensions website of 19 July, where he makes the point that results have to be delivered before any payment is made? Lots of small charities that I have spoken to up and down the country say that that will mean that they simply do not bid for contracts, even if

they are part of a consortium with a big corporate player. What will my right hon. Friend do to design a system to protect the interests of the smaller charities that are so important for the big society?

Chris Grayling: May I say what a great pleasure it is to have a question from my hon. Friend, and to see him in his place?

We are doing everything we can to ensure that the systems in place are suitable to ensure we have a mix of organisations. We have launched a specific new code of conduct for prime contractors—the Merlin standard—that is designed to ensure that they look after the commercial interests of smaller organisations on the framework, or that are working with framework providers. It is essential that we have a proper mix of organisations involved in the Work programme and we will take all the steps we can to ensure that that is the case.

Stephen Timms (East Ham) (Lab): A great deal will hang on the Work programme. We all remember the damage in our constituencies when unemployment reached 3 million before, and we remember which party was in government at the time. The warning last week from PricewaterhouseCoopers that 500,000 private sector jobs, as well as 500,000 public sector jobs, are under threat makes clear the danger ahead. The Minister will know of the fear of the small providers we have been talking about— social enterprises, rural organisations, community groups and faith groups—that they will be included in bids for marketing purposes, but dropped once the contract is awarded. How will contracting address that danger?

Chris Grayling: I welcome the right hon. Gentleman to his position. I look forward to working with him, as well as debating the issues, over the months ahead.

PricewaterhouseCoopers' chief economist said he expected the private sector to be able to take up the slack from changes in the public sector. On smaller providers, the Merlin standard is designed to achieve precisely what he aims for. Under the terms of the Merlin standard, a prime contractor who wins a contract off the back of an attractive-looking consortium of organisations but dumps them all the next day can lose its contract. We shall be assiduous in ensuring that the interests of smaller subcontractors are protected, particularly those with the specialist needs we absolutely need for the Work programme. That is what the Merlin standard is designed to achieve.

Jobcentre Plus

2. **Rehman Chishti** (Gillingham and Rainham) (Con): What recent assessment he has made of the adequacy of services provided to jobseekers by Jobcentre Plus. [17482]

8. **Andrea Leadsom** (South Northamptonshire) (Con): What recent assessment he has made of the adequacy of the support provided to jobseekers by Jobcentre Plus. [17488]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): I am aware that my hon. Friend the Member for South Northamptonshire (Andrea Leadsom) has a huge interest in job clubs and has done a lot in her local area. I know that is appreciated.

There are 741 jobcentres, 35 contact centres and 78 main benefit delivery centres that process claims, investigate fraud and deal with inquiries. A full assessment of Jobcentre Plus services for 2009-10 was included in the annual report and accounts published on 26 July 2010. It was generally very positive. Jobcentre Plus has gone through a lot of difficulties over the past year and a half, but has done so really well. It is worth reminding ourselves that Jobcentre Plus helps 75% of claimants leave jobseeker's allowance within approximately six months.

Rehman Chishti: A carpenter from my constituency, Mr Pay, was told by Jobcentre Plus that delivering thousands of leaflets and advertising his services in the local media did not constitute actively seeking work and his jobseeker's allowance was withheld. What assurances can my right hon. Friend give me that that will not happen again?

Mr Duncan Smith: I understand that the Minister of State, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), has intervened in the case and is busy sorting it out with the jobcentre to make sure that the rules change so that we never see a repeat of it.

Andrea Leadsom: My right hon. Friend kindly mentioned the job clubs that I started in South Northamptonshire. They do excellent work, largely through volunteers, with a bit of support from the local council. I should be grateful if my right hon. Friend told us what plans he has to support the work of those job clubs as they make the transition to work clubs.

Mr Duncan Smith: As my right hon. Friend the Minister has made clear endlessly, it is critical in the whole Work programme process, which includes the element of work clubs, that we work on the basis of our understanding of previous information to bring people together and make sure that their shared experience can help them overcome some of the barriers. That is a critical component. That shared experience, as my hon. Friend and many other hon. Friends in the Chamber will know, can help people through the difficulties, so that they do not repeat the same mistakes. It will be an essential part of their work experience.

Miss Anne Begg (Aberdeen South) (Lab): The Secretary of State is already aware that there will be a lot of pressure on Jobcentre Plus in Aberdeen and Aberdeenshire over coming months, because the Work programme—even with the best will in the world—will not be in place until next summer, and in the meantime there will be the migration from incapacity benefit to the employment and support allowance. On the Government's figures, at least 200 people will end up back on jobseeker's allowance, with perhaps another 400 needing the work-related activity element. The Minister has already announced £50,000, but, apart from that, what extra resources will be put into Aberdeen and Aberdeenshire to make sure that the excellent workers in Jobcentre Plus are able to give the specialist help that my constituents and others round about so richly deserve?

Mr Duncan Smith: We are, of course, aware of that, and the hon. Lady has, I think, discussed the matter with my right hon. Friend the Minister of State. As things stand, we think that the money that has been

made available will be sufficient to cover the gap period, of which we are fully aware, so that nobody suffers a loss until they have gone through the system and had a chance to get on to the Work programme. We will, of course, keep the matter under review, and if there is an issue I guarantee the hon. Lady that we will make sure that it will not mean that people are penalised.

Steve McCabe (Birmingham, Selly Oak) (Lab): In the same vein, may I ask the Secretary of State what he is doing to measure the adequacy and effectiveness of private job agencies such as FourstaR Employment and Skills Ltd, which has a Government contract to help unemployed people in my constituency to find work?

Mr Duncan Smith: The greatest form of measurement that we can use is that which will apply to the Work programme, whereby bodies will essentially be paid by results. In other words, if they do not get people back to work, they will not receive the money that will allow them to make any kind of profit at all. The best way of measuring them is to pay them when they are successful, and not, as happened with one scheme under the last Government, before they are successful.

Incapacity Benefit

4. **Tony Baldry** (Banbury) (Con): What support his Department plans to make available to people on incapacity benefit to enable them to take up employment. [17484]

The Minister of State, Department for Work and Pensions (Chris Grayling): We will make the Work programme available to incapacity benefit claimants who are moved back into the jobseeker stream. They will be eligible for support through the Work programme. We will pay an enhanced price to those providers who work with people coming off incapacity benefit to make sure that they get the tailored support they need.

Tony Baldry: I am grateful to my right hon. Friend for that reply. Will he make sure that Jobcentre Plus, work clubs, and disability organisations can ensure that no matter where people are—whether they are on incapacity benefit or in Remploy factories that are making losses—they know where they can access support and get the skills training that they need to get back into the world of work?

Chris Grayling: My hon. Friend is absolutely right. One of the central goals of our work over the next 12 to 18 months is to start a process of ensuring that far more people with long-term health problems and disabilities have the opportunity to get into the workplace. We will take whatever steps are necessary, primarily through Jobcentre Plus, to ensure that those people are handled effectively, and are steered to the right support through the Work programme. The aim is to achieve a goal that we all want, which is to allow as many of them as possible to find jobs.

David Cairns (Inverclyde) (Lab): The Minister is aware that a map of where incapacity benefit is most taken up would look like a map of Britain's industrial heritage. In former shipbuilding constituencies such as mine, people do genuinely have long-term incapacity, which is associated with the work that they did. He will agree, of course, that that does not mean that they cannot work ever again. Is he absolutely fixed on what the question actually asks? It asks what support the Government can give to help people on incapacity benefit to move to work. I would like to hear him outline that support, rather than talking about the stick of benefit cuts.

Chris Grayling: The hon. Gentleman is absolutely right. I am sure that he would agree that one of the great failings of the past 13 years has been the fact that we have consistently had 2.5 million people on incapacity benefit, and the previous Government did absolutely nothing to help them to get back into work, which is a terrible tragedy and a huge waste. We intend to change that. The Work programme will deliver tailored, specialised support for those people—support that is relevant to them, and designed not in Whitehall but by the people working with them on the front line. We intend to make a difference to those people in a way that the previous Government did not.

Gordon Birtwistle (Burnley) (LD): May I report that the pilot scheme in Burnley has now started? We have managed to get the local jobcentre involved with a local recruitment company, Vedas Recruitment and Training. The scheme seems to have started well; my only concern is that funding may run out before we complete it. Will the Minister guarantee that funding will carry on for a short period afterwards, if necessary?

Chris Grayling: I thank my hon. Friend and all those in Burnley, including those in the local authority and other local agencies, who have come together to help make the first stage of the migration from incapacity benefit a reality. I assure him that it is my belief that the money that we have supplied to Burley should be sufficient to see us through to the point when the Work programme starts next year. If there are issues, I will be very happy to talk again, and we will see what can be done about them.

Winter Fuel Allowance

5. **Mr Jim Cunningham** (Coventry South) (Lab): What plans he has to amend the eligibility criteria for winter fuel allowance; and if he will make a statement. [17485]

The Minister of State, Department for Work and Pensions (Steve Webb): In winter 2010, the winter fuel payment will continue to be paid at the higher rate of £250 or £400, according to family circumstances. Decisions about the rates for future winters will be taken as part of the annual Budget cycle, as normal.

Mr Cunningham: Will the hon. Gentleman give the same undertaking with regard to the chill winter allowance?

Steve Webb: I think the hon. Gentleman is referring to the cold weather payments. The rate of cold weather payment will be announced on Wednesday in the comprehensive spending review. As the House knows, for the first 11 years of the previous Administration, the cold weather payment was frozen at £8.50 and, although it was increased to £25 for two years in the run-up to the election, the previous Administration made no financial provision at all to keep it at £25.

Margot James (Stourbridge) (Con): According to the National Pensioners Convention, 36,700 older people died of cold-related illnesses last year. Will my hon. Friend's Department work with the Department of Health and redouble efforts to reduce that unacceptably high number?

Steve Webb: My hon. Friend is right. Excess winter deaths are a scandal. That requires work across Departments, as well as our commitment to the winter fuel payment and the cold weather payment system. We are working with our colleagues not just in the Department of Health, but the Department of Energy and Climate Change, because proper home insulation is a key to tackling excess winter deaths.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): Last week the Prime Minister said he stood by the pledge that he made during the election about retaining the winter fuel allowance. I note with interest the answer given by the Minister. Will he confirm, for the avoidance of doubt, that everyone who is today entitled to the winter fuel allowance will still be entitled to it on Thursday?

Steve Webb: I cannot pre-empt the outcome of the comprehensive spending review, but I refer the right hon. Gentleman to the wording of the coalition agreement, where we say that we are committed to protecting the winter fuel payment.

Work Capability Assessment

6. **Stephen Mosley** (City of Chester) (Con): What steps are being taken to improve the quality and accuracy of the work capability assessment. [17486]

9. **Mike Crockart** (Edinburgh West) (LD): What steps his Department is taking to improve the quality and accuracy of the work capability assessment. [17489]

The Minister of State, Department for Work and Pensions (Chris Grayling): We believe that the work capability assessment is effective at identifying a person's functional capability for work and work-related activity, and very much more so than its predecessor, the personal capability assessment. However, I am clear that we must get this right, particularly with the large-scale migration beginning next year. On taking office we implemented some of the recommendations of a review carried out under the previous Administration. I have commissioned a new review under the chairmanship of Professor Malcolm Harrington of Birmingham university, with input from some of the leading figures among the mental health charities, to try to make sure that we get this right—that we deal with any rough edges that there may be in the system before the migration next year.

Stephen Mosley: There are a number of conditions—for instance, MS—where the health of an individual may vary daily. What consideration has the Minister incorporated in the work capability assessment to ensure that the fluctuations in someone's daily health do not affect their entitlement?

Chris Grayling: My hon. Friend is right. This is the central issue that we have to get right. It is one of the reasons I asked Professor Harrington to include Paul Farmer, the chief executive of Mind, in his review, and why I invited mental health charities to make practical suggestions about changing the work capability assessment to identify precisely the issues that my hon. Friend has highlighted. I want to get this right. It is in no one's interest that people should be given a steer in the direction of work if that should not happen to them. I want to look after those who genuinely need ongoing support. We will do everything we can to get this right.

Mike Crockart: Many of my constituents complain that too much weight was placed on one chat with one individual on a particular day, as my hon. Friend the Member for City of Chester (Stephen Mosley) stated. That might be a good day for their condition, and the chat with that one individual may not provide a long-term in-depth knowledge of the claimant's work capability. What help can the Minister give to assure my constituents that proper weight will be placed on the opinions of the claimant's full medical team?

Chris Grayling: As I say, we must get this right. I have sat through a work capability assessment, so I understand exactly the issues that people are raising. I have looked carefully at the structure of it and have invited people with expertise to take part in the process. We will do everything we can to get it right. What I will not do is condemn people with mental health challenges to a life on benefits, with little opportunity of getting into employment. That would be the wrong thing to do for them. They deserve better and they will get it from this Government.

Mr Frank Roy (Motherwell and Wishaw) (Lab): The Minister will remember one of his ministerial colleagues describing the Conservative party as the "nasty party". Given the obvious demonising of unfortunate people who need welfare benefit, should he not just stand up, give it to us straight and say, "Be afraid, be very afraid, the nasty party is back"?

Chris Grayling: That is precisely the kind of negative politicking that I hope we will not have from the Opposition over the next few months. I believe, and I think that most Members believe, that people with long-term health problems are better off being helped back into the workplace, if possible. They are better off than they would be if they spent a lifetime on benefits, and that is what all the charities that work with them also say to us. I want to do the right thing by those people, and I hope that Members on both sides of the House will unite behind a programme designed to deliver that.

Sheila Gilmore (Edinburgh East) (Lab): Contrary to the Minister's earlier assertion that our Government did nothing to deal with incapacity benefit, I must say that that is clearly not the case, because all of us will have heard our constituents' experience of the work capability test. The hon. Member for Edinburgh West (Mike Crockart) mentioned some of the problems, and one issue that some of my constituents have raised is that written reports from their doctors or other people are not taken into account at all; the assessment is based simply on the test carried out by the company in question. Will the Minister agree to allow written documentation as part of the test?

Chris Grayling: The hon. Lady is not right, because written evidence can already be submitted to an inquiry. The decision maker in Jobcentre Plus will look at written matters as well, and that is right and proper. I have also asked those taking responsibility for the test to ensure that we maximise the discretion that is available to all the professionals involved, so that we get the assessment right. It is of course proper that we do so, but although the previous Government introduced the assessment for new claimants they left the 2.5 million people on incapacity benefit untouched. That was a mistake, and I hope that we can all work together to put it right.

Benefit Fraud

7. **Mr Marcus Jones** (Nuneaton) (Con): What steps he is taking to increase the proportion of benefit fraud detected. [17487]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): Total fraud—benefits and tax credits, involving my Department and the Treasury—stands at £5.2 billion. Total welfare fraud stands at £1.5 billion, involving £1 billion in benefits and about £500 million on tax credits. My Department performs about 500,000 data matches per year, and under the new strategy we will use more private sector data matching to try to catch fraudsters and to stop errors. We will recruit more than 200 new anti-fraud officers to sanction about 10,000 fraudsters every year, and there will be a new three strikes regime to ensure that the worst cases, of criminal gangs and larger-scale identity fraudsters are robustly dealt with. It is worth reminding the House that the universal credit system reform will go a very long way to helping to resolve some of the problems concerning errors, which amount to a huge and significant sum each year.

Mr Jones: I thank my right hon. Friend for his response. Many of my constituents will be horrified to learn that during the last year of the Labour Government, prosecutions for false benefit claims slumped by 11%. I should therefore be grateful if he confirmed what action he intends to take to reverse that worrying trend.

Mr Duncan Smith: As I said earlier, we will undertake a major drive on that issue. We think that, taking on board what the previous Government did, we need to take further action. There have been reports about the issue, and I can clarify some matters. The three strikes policy to which I referred consists of, first, essentially the loss of benefit, sanctioned for four weeks, going up to 13 weeks; secondly, the loss of benefit from 12 weeks to 26 weeks; and, on third conviction, the loss of benefit sanctioned for about three years. We will look further at the penalties, particularly when we detect criminal activity by a consortium trying to defraud the state. The reality is that we have to undertake that drive, and to those who moan about it and say that it is wrong, I must say that the main problem that we face is that taxpayers, who are often on low earnings, pay their taxes to support people in difficulty, and they do not want to see their money wasted, going to people who, frankly, set out to defraud the system. I hope that Members on both sides of the House can agree on that.

Several hon. Members *rose*—

Mr Speaker: Order. The comprehensiveness of answers at the moment is equalled only by their length. They do need to be a little bit shorter.

Mr Frank Field (Birkenhead) (Lab): When Members of Parliament hand on to their local offices allegations of fraud made by their constituents, will the Secretary of State arrange for the MPs concerned to read the fraud report to ensure that the job has been properly done?

Mr Duncan Smith: That is very tempting. I am happy to discuss that with the right hon. Gentleman, and I am definitely tempted in his direction.

Child Support

10. **Jo Swinson** (East Dunbartonshire) (LD): What steps his Department is taking to enforce payment of child support by parents who refuse to pay. [17490]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): The Child Maintenance and Enforcement Commission has a range of enforcement powers that it can deploy to secure payments from parents who refuse to pay. However, non-resident parents are given every chance to pay their child maintenance, and only when they are deliberately non-compliant will the commission use these powers.

Jo Swinson: I thank the Minister for that reply. All Members of this House will have constituents who are not receiving the child maintenance to which they are entitled because their former partners are giving the Child Support Agency the run-around by changing jobs or the self-employed are hiding their true earnings. The Government rightly do not allow these people to avoid paying tax. Surely, therefore, HMRC data could be used properly to assess child maintenance liability. Alongside the Government getting tough on tax avoidance, will they get tough on child maintenance avoidance?

Maria Miller: I thank my hon. Friend for that question. She is absolutely right that this data can help particularly to ensure that individuals pay the money they are due to pay. Indeed, we will consider that under the planned revisions to the CSA's IT system. I should like to reassure her that the Child Maintenance and Enforcement Commission is already putting in place a number of other measures to ensure that we increase enforcement actions. Indeed, as a result of those measures we have seen a significant increase in enforcement actions in the past 12 months.

Malcolm Wicks (Croydon North) (Lab): Given that a significant cause of childhood deprivation is the failure of so-called absent parents—usually fathers, but sometimes mothers—to pay for their own children, and given that, to be blunt, both previous Governments, despite good efforts, found this a difficult nut to crack, will the Minister consider new measures to ensure that we do not just go after the easy targets, such as those on salaries and in the public services, but find new ways of getting to fathers, some of them serial fathers, who are determined to avoid paying for their own children and expect other mums and dads called taxpayers to do their job for them?

Maria Miller: I thank the right hon. Gentleman for his question. As I said to my hon. Friend the Member for East Dunbartonshire (Jo Swinson), a number of measures are in place to crack down on the very people he is talking about. We now have 400 members of staff who are chasing these sorts of historical arrears. It is also about embedding a culture change; that is why we put at the heart of our coalition agreement a commitment to shared parenting that will drive the sort of culture change that he is after.

Anne Marie Morris (Newton Abbot) (Con): Beyond the problem of recalcitrant parents, there is also a problem within the system. Last weekend, a constituent of mine said that she has waited two years to have an appeal in her favour sanctioned and moved forward. Every time, she simply gets a letter saying, "You'll be allocated a number in 20 days' time", and it never happens.

Maria Miller: I thank my hon. Friend for that case in point. If she wants to raise any issues with me, I will be glad to speak to her separately. She makes a good point about ensuring that there are timely assessments. One in four parents with a liability still do not make a payment. The previous Government did not put in place the necessary measures to change the situation, and we will be doing everything we can to do that.

Benefit Dependency

11. **Jim McGovern** (Dundee West) (Lab): What recent assessment his Department has made of the effects on levels of benefit dependency of wage levels. [17491]

The Minister of State, Department for Work and Pensions (Chris Grayling): We have not yet made an assessment of the direct impact of wage levels on benefit dependency, but we firmly believe that work must pay. Within the current system, we have the anomaly that some individuals can keep as little as 4p in an extra pound earned if they move up the income scale, and a small number of individuals receive more than £26,000 a year in benefits—a substantial amount when compared to the incomes of most working households. That cannot be right, and that is why we are bringing forward radical welfare reform proposals to ensure that work pays.

Jim McGovern: I thank the Minister for his response. I hope that he agrees that the national minimum wage gave a massive lift to many working people throughout the UK, and it is now time to move on and progress to a decent living wage. When wages are low, it is no surprise that benefits are often worth more than work. In my view, that is not a problem for benefits, but whatever the problem I hope he agrees that the solution is a fair day's pay for a fair day's work.

Chris Grayling: Clearly, as an Administration we would like employers to move people up the income scale, and for there to be wealth in the country to enable our businesses to do that. Of course, they have big challenges to overcome after the past few years and all the economic problems that were created under the previous Government, but I share the hon. Gentleman's aspiration. I would like people to move up the income scale, but above all else, we want to ensure that, in all circumstances, work pays. That is why we are introducing the universal credit and the changes that we are making. There should never be a point at which somebody says, "It's not worth my while going back to work."

Equality (Disabled People)

12. **Mr Aidan Burley** (Cannock Chase) (Con): What programmes his Department operates to deliver equality for disabled people. [17492]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): The Government are committed to equality for disabled people and to implementing the UN convention on the rights of disabled people. There is a full programme of work in my Department—and right across government—to deliver on that commitment. We have commenced the majority of the Equality Act 2010 this month, we are improving support for disabled people to enter and stay in employment through the Work programme, Access to Work and Work Choice, and we are piloting the right to control from the end of this year.

Mr Burley: I thank the Under-Secretary for that reply. I recently visited the Newlife Foundation, a national charity based in my constituency, and was told about the huge problems faced by families with children with disabilities and terminal conditions. I was concerned to hear that children under three are not entitled to DLA mobility allowance, and about the impact of that on their families. Will the Under-Secretary confirm whether that is the policy and, if so, whether the Department has any plans to reconsider it for the most vulnerable groups?

Maria Miller: I join my hon. Friend in paying tribute to the Newlife Foundation, particularly the work of Sheila Brown in setting up that important local charity. My hon. Friend is right to identify the complexities of the benefit system, particularly the way it can affect children and families. He will know that, in the emergency Budget, the Chancellor announced a review, and I would like to offer to meet the Newlife Foundation and Sheila Brown with my hon. Friend to discuss that matter further.

Margaret Curran (Glasgow East) (Lab): Will the Under-Secretary confirm that an equality impact assessment will be published following the comprehensive spending review? Are the Government prepared to publish all the analysis that was undertaken of the implications of the spending review, particularly its impact on disabled people? In the light of that, are the Government willing to make a statement to the House on the full implications for disabled people?

Maria Miller: I welcome the hon. Lady to her position—I believe that this is her first time at the Dispatch Box. I would like to reassure her that we already have the processes in place to undertake an equality impact assessment of all the measures that affect disabled people. We have said that we will make it publicly available.

Robert Halfon (Harlow) (Con): I have been contacted by Employ-Ability, a charity in my constituency that helps people with mental health difficulties and disabilities

to get back into work. Those people are concerned that, if they are no longer eligible for incapacity benefit or employment and support allowance because they recover, they will lose the working tax credit at 16 hours and also their return-to-work bonus at £40 a week for a year. Will the Under-Secretary ensure that it is financially worth while for those people to get back into work?

Maria Miller: I thank my hon. Friend for his question, in which he outlines some of the complexities that disabled people face when they try to get back into the workplace. As my right hon. Friend the Secretary of State said earlier, we want to ensure that work pays for everybody who wants and is able to get back into the workplace. That principle underpins all the work that we are undertaking.

Carer's Allowance

13. **Gregg McClymont** (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Whether carer's allowance payments will be included in the proposed cap on benefit payments. [17493]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): We expect the benefit cap to apply to the combined income from all main out-of-work benefits. However, we will exempt all households with someone entitled to disability living allowance, many of which will contain claimants receiving carer's allowance.

Gregg McClymont: I thank the Under-Secretary for that answer. Will she publish her assessment of the impact of the policy on poverty among carers?

Maria Miller: I thank the hon. Gentleman for his question. We obviously want to ensure that the policy works for everybody involved. The benefit system is designed to maintain a basic income for carers when caring responsibilities prevent them from working full time. It is right that carer's allowance is paid with reference to what families could expect to earn if they were in fully paid work, but we will keep the policy under review and ensure that it works for carers.

Mortgage Interest Payments

14. **Dr Thérèse Coffey** (Suffolk Coastal) (Con): What options he has considered for future support for mortgage interest payments for those out of work. [17494]

The Minister of State, Department for Work and Pensions (Steve Webb): We are in discussions with mortgage lenders about the scope for them to freeze benefit claimants' mortgage accounts and apply a standard interest rate for a fixed period. In return for lenders receiving up-front interest payments from the Government, claimants getting help with their payments would not accrue any arrears or face the threat of repossession.

Dr Coffey: I thank my hon. Friend for that answer. Does he agree that, in these times, when perhaps there will be a lag in finding jobs, speed is of the essence, particularly for vulnerable people in our society, when making decisions about future support for mortgage interest?

Steve Webb: We will certainly move as fast as we can on this issue. My hon. Friend may be aware that had we done nothing the higher rate of 6% was due to expire at the end of this year and revert, under the previous formula, to just over 2%. We felt that that was unfair, and we will pay 3.6%, which is the average mortgage rate.

Ms Karen Buck (Westminster North) (Lab): The Council of Mortgage Lenders indicated that financial support from the Government for home owners who got into trouble was one of the key reasons fewer repossessions occurred in recent years than in other recessions. Given the impact of the reduced levels of support for mortgage interest relief and the cuts in housing benefit, does the Minister think that the number of people requiring financial support because they are homeless will be higher or lower than now at the end of next year?

Steve Webb: The hon. Lady is very knowledgeable about housing matters and I welcome her to her new role. She may not be aware that we will spend more money in the next two years on support for mortgage interest for people who are out of work than the previous Government planned to do. They planned to cut support to 2%, which would have led to many more homelessness cases.

Child Support

15. **Stephen Barclay** (North East Cambridgeshire) (Con): If he will remove eligibility for child benefit in respect of children not resident in the UK from non-UK EU nationals working in the UK. [17495]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): This is a matter for my right hon. Friend the Chancellor of the Exchequer, but the main purpose of child benefit is to support families resident in the UK. However, child benefit is classed as a "family benefit" under EC social security co-ordinating regulations. When an EEA national works and pays compulsory national insurance contributions in the UK, that person is entitled to UK family benefits, even if their family remains in another EEC country.

Stephen Barclay: I note the Minister's reply, although at the 2003 European meeting agreeing the eligibility for child benefits, the British Government were represented by the Secretary of State for Work and Pensions, which suggests that the Department has an interest in this matter.

Would the Minister, together with colleagues, agree to set out in the Library within the next month her proposals for reforming a system under which the British taxpayer not only pays child benefit to non-UK European families who do not work and whose children live abroad, but pays up to four times as much in benefit as the children get from their own Government?

Maria Miller: I can understand my hon. Friend's frustration about this matter, but I reiterate that it is a policy area for the Treasury and it is also an issue that we have inherited. Many other nations are as concerned as he is about this issue and I am sure that my colleagues in the Treasury will be looking at it in detail.

Keith Vaz (Leicester East) (Lab): Does the Minister agree that her own Department has indicated that enlargement of the European Union has benefited the economy of this country? If people who come from the EU pay their taxes, they should be entitled to get child benefit.

Maria Miller: As my hon. Friend the Member for North East Cambridgeshire (Stephen Barclay) said, it is the inconsistency and the difference between benefits payable in this country and in the home country that rightly causes concern. It is right that the Treasury should look at this issue in detail.

Workplace Pensions (Automatic Enrolment)

16. **Stuart Andrew** (Pudsey) (Con): What progress he has made on his plans to introduce automatic enrolment into workplace pensions in 2012. [17496]

The Minister of State, Department for Work and Pensions (Steve Webb): The Government remain committed to the introduction of automatic enrolment. We have now received the conclusions of the review that we set up, and we will make an announcement to the House shortly. I am pleased to confirm that we will go ahead with auto-enrolment according to the previously intended timetable.

Stuart Andrew: Saving for old age is often not viewed as a pressing concern for the young. Given the likely pressures on graduate funding following Lord Browne's review, it is likely to fall even lower. What steps will my hon. Friend take to encourage a savings culture among the young, and will he please ensure that the future needs of the young are taken into consideration when setting the age limit for automatic enrolment in workplace pensions?

Steve Webb: We have asked our review group to look at the age limits for auto-enrolment, but my hon. Friend is right to say that getting young people interested in pensions is a challenge. We think that automatic enrolment will be part of the answer to that because, for the first time, they will have to decide whether to stay in a workplace pension. We also have to ensure that it always pays to save.

Rachel Reeves (Leeds West) (Lab): The beauty of auto-enrolment, as set out by the Labour Government, was that it would benefit all workers. Will this Government honour that commitment, which will support those on low incomes most of all, as well as temporary and agency workers, who often have the worst pension provision? Or will the Government water down those plans, storing up problems of pensioner poverty for the future?

Steve Webb: I welcome the hon. Lady to the Dispatch Box for the first time, and I look forward to working with her to establish cross-party consensus on pension reform wherever possible. She mentioned the actions of the last Labour Government, which I think she will recall were taken on an all-party basis. Our review was not meant to undermine automatic enrolment but simply to make it work, and work effectively—and that we will do.

Work Capability Assessment

17. **James Morris** (Halesowen and Rowley Regis) (Con): What steps his Department is taking to increase the quality and accuracy of the work capability assessment. [17497]

The Minister of State, Department for Work and Pensions (Chris Grayling): As I indicated in my earlier remarks, I hope that the Harrington review will enable us to make the work capability assessment as appropriate as possible for the months ahead and the start of the migration from incapacity benefit to employment and support allowance. However, we will continue to review the work capability assessment on an ongoing basis, and if any opportunities arise to improve it, we will take advantage of them.

James Morris: I have been approached in my constituency by many carers of people with severe mental health difficulties who have expressed concern about the work capability assessment. Does the Minister agree that we need to see how it can be adapted and refined to meet the requirements of severely mentally ill people?

Chris Grayling: I absolutely agree with my hon. Friend. That is why I have said to leading mental health charities that I actively seek their input on how we can improve, in particular, the wording of the different elements of the assessment. Equally, however, I stand by my view that, where we can, it is better to help people with mental health challenges into work than to leave them on benefits long term, doing nothing.

Topical Questions

T1. [17506] **Karl Turner** (Kingston upon Hull East) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): I draw the House's attention to the fact that today, as I referenced earlier, the Department for Work and Pensions and Her Majesty's Revenue and Customs published a joint strategy to tackle fraud and error in the benefits system, which we believe should save £5 billion each year. The proposals in the fraud and error strategy, which together represent an additional £425 million of funding over the next four years, will, we believe, deliver a £1.4 billion reduction in fraud and error by 2014-15.

Karl Turner: Can the Secretary of State explain to a large number of my constituents why he reduced the support for mortgage interest payments before his Department ensured that mortgage lenders would average out rates? Why did he communicate this only a few days before it was reduced, and is it not true that lenders are fighting this reform tooth and nail?

Mr Duncan Smith: I do not know whether the hon. Gentleman was listening to the Minister of State, my hon. Friend the Member for Thornbury and Yate (Steve Webb), when he pointed out that the last Government left plans to slash that support. It is we who have actually brought it to the average, which means that

people will do better under us than they ever would have done under the last Government—so an apology would do very nicely thank you.

T2. [17507] **Amber Rudd** (Hastings and Rye) (Con): I know that the Secretary of State is aware of conversations I have been having in my constituency with youth leaders about how we can communicate changes in the welfare programme to young people who do not watch the Parliament Channel and sometimes do not read the papers. Do we have a campaign plan to try to communicate the changes to them, perhaps through texting or facebooking and the internet?

Mr Duncan Smith: We do indeed. My hon. Friend is right to draw the matter to the House's attention. Using new media, it is important that we ensure that young people are brought fully into the net, particularly through voluntary sector organisations, which are much better at using the new media. However, I must also draw her attention to the Department's commitment—a commitment that I have made—to ensure that older people approaching retirement should not retire without the ability to use the net and the web. That is a big commitment but one that we will stand by.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): Last week, PricewaterhouseCoopers suggested that 1 million jobs could be lost over the next year. Given the answer we just heard from the Secretary of State and the present uncertainty in the labour market, will he confirm again that people affected by the change he just discussed will do very nicely—as he said—and assure the House that the reduction in the interest rate used for the support for mortgage interest programme will not lead to a rise in the number of repossessions among the approximately 255,000 people affected?

Mr Duncan Smith: I welcome the right hon. Gentleman to his position, although it would have been nice if he had risen at the Dispatch Box and first apologised for being part of a Government who left plans to cut the support to mortgage holders—*[Interruption.]* Yes, as the Minister of State, my hon. Friend the Member for Thornbury and Yate implies, they planned to slash the rate. So when the right hon. Member for Paisley and Renfrewshire South (Mr Alexander) next gets to the Dispatch Box, perhaps he will tell the world that he was going to do that, and apologise. We will give the support necessary and reform the system. As he knows, organisations and individuals, including a lot of very senior businessmen today, have said that our economy will grow, that they will provide the jobs and that therefore this Government will be right.

T3. [17508] **Graham Evans** (Weaver Vale) (Con): Building business will create employment opportunities in my constituency of Weaver Vale. What support will the Government provide to help unemployed people into self-employment?

The Minister of State, Department for Work and Pensions (Chris Grayling): I am delighted to tell my hon. Friend that we are looking to expand the support available to people in parts of the country that are particularly affected by unemployment and that have a small local private sector economy. We will provide enhanced support from early next year, including through more money than is currently on offer to help the self-employed and—this is particularly important—through mentoring for small businesses, to ensure that people have practical advice and guidance so that they not only set up small businesses, but those businesses survive, grow and flourish.

T5. [17510] **Mr William Bain** (Glasgow North East) (Lab): Will the Secretary of State join me in recognising the great contribution that the 54 supported employment Remploy factories make to our country? Even at this late hour, will he agree to lobby the Treasury on their behalf? It would be entirely unfair and unacceptable for 3,000 of the most vulnerable disabled workers to be handed their P45s by the Chancellor on Wednesday.

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): I thank the hon. Gentleman for his question, and I agree that Remploy plays an important part in providing employment services for disabled people. As he would expect, we have been looking at the contribution that Remploy makes as part of the spending review process. I would just urge him perhaps not to believe everything that he reads in the newspaper, and say that he will get further details on Wednesday when the Chancellor speaks.

T4. [17509] **Mr Marcus Jones** (Nuneaton) (Con): Following a succession of soundbites from the previous Government, who promised to be tough on benefit fraud but delivered, as usual, very little, can my right hon. Friend the Secretary of State explain to the House why he thinks the new initiatives that he has proposed today will succeed where those of other Governments have failed?

Mr Duncan Smith: Yes, I can. One thing that it is important for everybody to understand is that not only will we have the three-strikes policy, but we will try to disincentivise people in what I call the low-level area of fraud, which is when they knowingly fail to report changes in their circumstances. In those cases, there will be the ability to fine them £50 on the spot, which will have a big effect on people saying, "Well, I forgot and I didn't do it." Providing that we think they knew, it is time they realised that they have, in fact, defrauded the state as well.

T6. [17511] **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): Does the Secretary of State accept that the result of changing indexation from the retail prices index to the consumer prices index is that pension increases in 2012 will be cut from 4.6 to 3.1%? Is that what he regards as fairness?

The Minister of State, Department for Work and Pensions (Steve Webb): The right hon. Gentleman is probably not aware that the planned increase in 2012 under the Labour spending plans was 2.4%, which was what the previous Government thought earnings would be. Whatever the pension rises, we have guaranteed that the increase will be at least 2.5%, so whatever we do, it will be more than he had planned.

T7. [17512] **Dr Thérèse Coffey** (Suffolk Coastal) (Con): Before the election, one of the policies that resonated most with my constituents was the Conservative plan to eliminate the couple penalty—the absurdity whereby people can be better off splitting up as a family than staying together. Can my right hon. Friend assure me that that penalty will be erased completely in the next few years, and that there will be no unintended consequences of any other policies that we might be putting forward?

Mr Duncan Smith: I must say that this remains a target for us, which is—*[Interruption.]* It is all very well for the Opposition to laugh: they are the ones who created the couple penalty. They could not care less whether people had to split up because of their benefits bills; the disincentives were all there and they created them. We will do our level best to eradicate them.

Natascha Engel (North East Derbyshire) (Lab): On the Secretary of State's announced crackdown on people fraudulently claiming benefits, the latest figures from his Department for fraud and error in the benefits system show that £1 billion is due to fraud, but that another £1 billion is due to official error. How will he ensure that his campaign against fraud is as high profile as any campaign against official error in his Department?

Mr Duncan Smith: I thank the hon. Lady for her question. The reality is that going after error—and not just fraud—is a critical component. As I said earlier, one of the big changes that we are making is the reform of the benefits system, which is so incredibly complex that many of my officials say that often they simply cannot quite figure it out until 45 minutes or an hour of serious study for each case. Simplifying the system will reduce the scope for error, which will be in the interests of all her constituents and members of my Department.

T8. [17513] **Julian Smith** (Skipton and Ripon) (Con): A constituent with bowel cancer has been found fit for work, despite having his colostomy bag changed 16 times a day. He is now going through appeal. How will my right hon. Friend ensure that those who are genuinely and obviously not fit for work are dealt with more humanely?

Chris Grayling: The point about cancer patients is a particularly apposite one. One thing I was astonished to discover on taking office was that we still had tough return-to-work requirements for those going through chemotherapy. Anybody who knows someone who has been through that knows it is a time when people cannot possibly return to work. We have sought to change that and we will make a number of other changes through the Harrington review. As I said earlier, our goal is, above all, to get this right. I do not want to do the wrong thing by those people who need support; I do want to do the right thing by the people with the potential to get back into work and make a better lot of their lives.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Does the Minister agree that we want to minimise the number of people claiming mortgage interest payments by keeping them in work? Does he agree that the best way of keeping my constituents in work is to ensure that the aircraft carrier goes ahead?

Mr Duncan Smith: We are not responsible for aircraft carriers, so I apologise for that!

T9. [17514] **Stephen Phillips** (Sleaford and North Hykeham) (Con): My right hon. Friend would no doubt agree with me that the last Labour Administration presided over a system of welfare that trapped people in poverty and ignored devastatingly high levels of workless families in our country. Will he tell the House what he is going to do about it?

Mr Duncan Smith: My hon. Friend will know that we are planning to bring forward a White Paper on reform of the benefits system soon. As I alluded to earlier, one of the biggest problems is that the existing benefit system has become so complex, with so many different withdrawal rates and different tapers—some at gross, some at net levels—done through different Departments. By bringing all that together and simplifying the system by giving people basically one withdrawal rate, we should be able to allow them to understand what they will retain, while also ensuring that work always pays. That, I think, is in the interest of everyone in the House.

Toby Perkins (Chesterfield) (Lab): I welcome what the Minister of State, the right hon. Member for Epsom and Ewell (Chris Grayling), said previously about looking into the work capability assessment. I met a delegation from Chesterfield and north Derbyshire on Thursday, although they were due to have a meeting with him. One in the group was told that she was fit to work four days before a cancer operation, while another who had a plaster cast the whole length of his arm was told that he was fit to work. Unfortunately, the Minister cancelled his appointment to see them on the day before they came down to London. Will he commit to seeing them? If he really wants to learn about the work capability assessment, he should meet some of the people who have been affected by it.

Chris Grayling: I did not cancel any appointment, and I had a meeting with the TUC official who organised the rally on that day. What I cannot do is get into discussion of every individual case. My goal remains to do the right thing by those people who are on incapacity benefit in the long term. We need to modify and refine the work capability assessment based on the best information available to us. What we face today is what we inherited from the previous Government. What I am doing right now is trying to improve it so that it is as foolproof as possible when we come to the national roll-out next spring. I will do my best to get that right and I hope there will be cross-party support for doing so.

T10. [17515] **Harriett Baldwin** (West Worcestershire) (Con): The auditors of the Department have not signed off the accounts for many years. Will the Secretary of State's announcement today keep the auditors happier in future?

Mr Duncan Smith: It is always very difficult to know what keeps auditors happy—or if they are among that breed of people who are never happy—but the reality is that we are in discussions with them about the need to be a little more realistic between the two groups to make sure that the accounts are signed off in future. After all,

this Department has made huge strides—both under the last Government and this one—to be more efficient. That has been acknowledged by the auditors, so perhaps it is time for us to come to a conclusion.

Yvonne Fovargue (Makerfield) (Lab): The Government have said that the June Budget will have no impact on child poverty up to 2012. Will the Minister confirm that the new benefits cap will not change that fact? Will he publish the figures to demonstrate the effect of the cap on all categories?

Maria Miller: I thank the hon. Lady for her question. As she knows, we will produce our child poverty strategy in full by March next year. We will shortly go into consultation on it and I hope that she will contribute. On the effect of the cap on families living in poverty, as the Minister of State, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), said earlier, this is about people earning the equivalent of a gross income of £35,000 a year; the majority of families earning that would not fall into poverty.

Jenny Willott (Cardiff Central) (LD): How will the Minister ensure that lessons are learned from the review of the new work capability assessment, including, as discussed earlier, from the use of more medical information from claimants' doctors, and how will those lessons inform the design of the medical assessment process for disability living allowance claimants when that is introduced?

Maria Miller: I thank my hon. Friend for her question. I should like to set the record straight on that. There is no intention to introduce a medical assessment for DLA. The work capability assessment, which, after all, tests people's ability to get into work, is very different. DLA is a benefit that is paid to disabled people to make up the additional costs that they incur for being disabled; it is not linked to their ability to work.

Valerie Vaz (Walsall South) (Lab): Sir Stuart Rose is one of the signatories to the business letter. Is one of his strategies to employ unemployed university lecturers as till operators?

Mr Duncan Smith: We have no such strategy, but of course, if those people want a job change, that is up to them.

Nicky Morgan (Loughborough) (Con): I welcome the earlier remarks of the Under-Secretary on achieving equality for disabled people by helping them back into work. Does she recognise the excellent work done by the RNIB college in my constituency to help those who are blind or visually impaired back into work? Will she visit the college with me at some point?

Maria Miller: I thank my hon. Friend for her question. We have many different strategies for supporting disabled people back into work, and I know that the college in her constituency has done a great deal of work in that respect. I believe that there are plans to meet officials from her college in the not-too-distant future.

Bill Esterson (Sefton Central) (Lab): Many people in Sefton who work in the private sector rely for their livelihoods on customers who work in the public sector. What action will the Minister take to ensure that as a result of the comprehensive spending review, there is adequate provision in jobcentres around the country for both private and public sector workers?

Chris Grayling: Where we have issues in the labour market, whether public or private sector, we have a rapid response team within Jobcentre Plus that is available and able to provide advice to those who have lost their jobs. If the hon. Gentleman had read the letter that appeared in this morning's media from some of our leading business people, whose businesses have a presence all around the country—we are also advised of this by the Office for Budget Responsibility—he would know that the private sector, in the right environment, with the deficit dealt with, can more than make up for any job losses that result of our dealing with the deficit, which we inherited from the previous Government.

Several hon. Members *rose*—

Mr Speaker: Order. I am afraid that demand exceeds supply, and we must now move on.

Education Policy

3.32 pm

Andy Burnham (Leigh) (Lab) *(Urgent Question)*: To ask the Secretary of State to set out the Government's policy on the fairness premium to disadvantaged young children, pupils and students.

The Secretary of State for Education (Michael Gove): With your permission, Mr Speaker, I have been asked to reply to this urgent question as it falls within my departmental responsibility.

I am delighted to have this additional opportunity to confirm the very good news that this coalition Government will be spending more on schools. The House will know that the full details of the comprehensive spending review will be announced on Wednesday, but I can confirm today that we will fund a new fairness premium of £7 billion over the whole CSR period, which will be invested in accelerating social mobility.

This coalition Government will give all disadvantaged two-year-olds 15 hours a week of pre-school education. We will give all disadvantaged children a pupil premium in schools to improve their attainment—that will amount to £2.5 billion a year by the end of the CSR—and we will introduce a student premium to help more disadvantaged children to make it to university.

We have had to undertake a fundamental review of expenditure to deal with the massive deficit bequeathed to us by the previous Government, whom the right hon. Gentleman served as Chief Secretary. As we have protected NHS spending—against his advice—all Departments have had to look for efficiencies. I have already taken steps to halt inefficient programmes, cut out waste, prune bureaucracy, close quangos and drive forward school reforms. The decisions that we took in the first months of this Government to reduce inefficiencies were tough. The outlook overall is tight, but thanks to the steps that we took early in the life of this Government, we can now prioritise spending on the front line, so I can confirm today that school spending will rise in real terms.

In addition, we can spend more on those who need more. We inherited a two-tier school system, with the biggest educational divide between rich and poor of any developed nation. The opportunity gulf begins in the early years and grows over time. By the time they are 16, the poorest children—those eligible for free school meals—are only half as likely as other children to get five decent GCSEs, and of 80,000 children in any year eligible for free school meals just 45 get to Oxbridge. As many children from one top public school—St Paul's school for girls—get to Oxbridge as the entire population of poor boys and girls on benefit. That lack of opportunity is a scandal—an affront to the nation's conscience—and thanks to the decisions taken by this coalition Government, the policies are now at last in place to give every child a fairer chance.

Andy Burnham (Leigh) (Lab): First, let me thank the right hon. Gentleman for his statement, and may I also welcome him to his new role clearing up after the Deputy Prime Minister?

On Thursday evening, the BBC was briefed about a new policy—the so-called fairness premium—with huge implications for early years, schools and higher education funding. No notification was given to this House. We know that the Deputy Prime Minister had a bad week, and this had all the hallmarks of a hasty move to get him out of a political hole. The country could hear policy being made on the hoof.

On process first, therefore, when did the Secretary of State for Education hear that the Deputy Prime Minister was making that speech? We know that the Cabinet was kept in the dark on child benefit, but can the Secretary of State confirm that the Cabinet discussed all aspects of the fairness premium policy before it was briefed to the media?

As this announcement came in advance of the CSR, and given the overall reduction proposed by the Chancellor, people are anxious about where the funding is coming from. Can the right hon. Gentleman today give the House an assurance that he is not robbing Peter to pay Paul and that no other part of the education budget is facing disproportionate cuts to pay for the policy? Is he aware that his announcement has fuelled rumour over the future of the education maintenance allowance and universal Sure Start? Can he today reassure the House on those fronts as well?

Finally, the heart of the matter is this: we need to know whether the Government will honour repeated promises that the pupil premium will truly be additional to the schools budget. A BBC report suggested that funding will be recycled from within the schools budget. The Liberal Democrats have broken one education pledge; we need to hear from the right hon. Gentleman today whether another has been broken, or whether the Deputy Prime Minister has secured the reddest of his red lines.

Michael Gove: I thank the right hon. Gentleman for his series of questions, and may I also thank him for his generous words about the Deputy Prime Minister, who had a very good week last week? I think that being able during the course of our CSR to secure a better deal for schools than the right hon. Member for Morley and Outwood (Ed Balls) was able to negotiate when he was Education Secretary counts as a significant triumph. I think that advancing social mobility and social justice by delivering on Liberal Democrat manifesto promises is something in which Members on both sides of the House can take pride.

The right hon. Gentleman asks when I knew about the fairness premium. I knew when I read through, and nodded with approval at, the education section of the Liberal Democrat manifesto. The Liberal Democrats committed then—months ago—to spending more on early years, to funding a pupil premium and to ensuring that more disadvantaged people can go to university. The Liberal Democrats, in this coalition Government, have delivered on all those goals.

The right hon. Gentleman asks whether there will be any disproportionate cuts in any other part of the education budget. I can assure him in respect of Sure Start and 16-to-19 funding that he will find out on Wednesday that we have ensured that the funding is in place in order to guarantee that more people will participate after the age of 16 and that a network of Sure Start children centres is there for every child who needs them.

All of this has been done because our coalition Government working together has dealt with the inefficiencies, the waste and the bureaucracy that the

right hon. Gentleman's Government bequeathed to us. A coalition Government working together has prioritised social mobility after years in which it was frozen. A coalition Government working together has ensured that money goes to the front line rather than being spent on bureaucracy and waste. As a result, we are taking the tough decisions that he and he and he—his right hon. Friends on the Opposition Benches—ducked. They will not support reducing child benefit in order to ensure that the poorest get more. They will not support our VAT increase in order to plug the deficit. They will not support any of our steps to improve efficiency on the front line in schools. They are a party of naysayers and deficit deniers, and that is why this coalition Government are putting right the mess we inherited from them.

Mr Graham Stuart (Beverley and Holderness) (Con): I welcome today's announcement and the commitment it shows on the part of the Government to narrowing the gap between rich and poor and between their respective outcomes. Has the Secretary of State yet decided how the pupil premium will be allocated and on what basis?

Michael Gove: The Government have consulted on exactly who should receive the pupil premium. That consultation began earlier this year and there are still a couple of hours left should the right hon. Member for Leigh (Andy Burnham) wish to contribute to it—he has not yet done so. We are looking at a variety of measures of poverty and we wish to target the pupil premium most effectively on all children in need. One of the disadvantages of the way in which the previous Government targeted resources on the very poorest was that the premium attached to children who were eligible for free school meals was as low as £22 in some local authority areas.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): In fact, the pupil learning credit was £350 per pupil in the most disadvantaged schools.

Will the Secretary of State tell me what was the impact of the £600 million cut in area-based grant from the Department for Communities and Local Government, which was half the total announced on 22 June, and which cut child and adolescent mental health services, work dealing with teenage pregnancy and youth and careers services across the country, coupled with the £670 million cut in-year from his own Department? If we cut his salary by £40,000 and gave him £20,000 back, would he be better or worse off?

Michael Gove: I suspect that the taxpayer would be a lot better off, but I do not do this job for money; I do it because I am convinced that we need to do better to improve children's education. The right hon. Gentleman was a great Education Secretary, and I wish to take this opportunity to pay tribute to him. During his years as Education Secretary, we were able to see an improvement in performance in primary schools that was not subsequently matched by any of his successors. Yet during his first three years as Education Secretary the amount spent on education in this country actually declined for three years as a proportion of national income, which proves that if the right policies are pursued and we are rigorous about cutting waste, we can ensure that children will perform better—that is what we are doing.

Pauline Latham (Mid Derbyshire) (Con): I welcome the Secretary of State's remarks this afternoon. Will he assure me that he will ensure that the pupil premium gets to every child, no matter where they live?

Michael Gove: I am grateful for my hon. Friend's point. It is crucial that we ensure that disadvantaged children across the country receive the money that they need. One of the inefficiencies in schools funding under the previous Government was that disadvantaged children, particularly those in rural areas, often did not receive the support that they needed to achieve their full potential. We want to ensure that poverty knows no boundaries, and that the ways in which we will tackle it know no boundaries either.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Will the Secretary of State guarantee, first, that he will use a more sophisticated criterion than free school meals? The former Select Committee found that it was a very dodgy measure of whether a pupil was from a poor background. Secondly, he worried me by referring to "a network" of Sure Start children's centres, so is he going to maintain the current good level of those centres or cut it down to a smaller number?

Michael Gove: Those were two very good questions from the former Select Committee Chairman, with whom I often find myself agreeing. On his first point about targeting children who are eligible for free school meals, he will be aware that there is no perfect way of identifying the children who are in need. One of the ideas floated by the Sutton Trust is that we should allocate money to children who have ever been eligible for free school meals. Another idea is that we should link eligibility to eligibility for tax credits. We are examining all these ideas. The consultation has not yet closed and I do not wish to pre-empt the conclusions that we will reach, but I can say that the work that he did as Select Committee Chairman plays a part. On Sure Start children's centres, we want to ensure that the funding is there to maintain the current network of phase 1, phase 2 and phase 3 centres.

Simon Wright (Norwich South) (LD): I strongly welcome the extra money for children from the poorest backgrounds. Will the Secretary of State tell me whether he has any proposals for helping pupils who have special educational needs as well?

Michael Gove: I am grateful to my hon. Friend for that point, and I can tell him that we absolutely do. We recognise that many factors hold children back from achieving their full potential. I have been struck by the way in which many children who have special needs, including children of very high cognitive ability, do not achieve their full potential and, in particular, by how children with low-incidence special needs, such as deafness, who can achieve so much more, fail to achieve everything possible. That is why I am so delighted that the Minister of State, Department for Education, my hon. Friend the Member for Brent Central (Sarah Teather), will be publishing a Green Paper on special educational needs, which will reform the assessment and the funding systems, and will ensure that all children, whatever their needs, get the support that they deserve.

Mr George Howarth (Knowsley) (Lab): Leaving aside the political knockabout content of part of the Secretary of State's statement, I welcome the fact that more resources are to be targeted at children in the greatest need. Will he give me an assurance that he will work closely with local authorities and schools to ensure that the additional resources are targeted properly and effectively at those children with the greatest needs?

Michael Gove: I am grateful for the right hon. Gentleman's constructive question. He is a distinguished member of the dwindling Blairite tendency on the Opposition Back Benches. He is fortunate in having in Knowsley one of the more imaginative and creative local authorities. That is why representatives from Knowsley are working with the Department for Education to ensure that we can target deprivation more effectively.

Caroline Dinenage (Gosport) (Con): One of the biggest complaints that I hear from local head teachers concerns the way in which they were micro-managed under the previous Government and told how to spend their money. Will my right hon. Friend please give us an assurance that head teachers will be free to spend the pupil premium money in the way that they see fit?

Michael Gove: My hon. Friend makes a good point. We are working with head teachers to ensure that the unacceptable level of ring-fencing and bureaucracy that fettered their discretion under the previous Government is removed, so that the money—particularly the money that will be spent on the very poorest children—can be spent in line with their priorities and judgment. Of course schools will be accountable for how that money is spent, but greater freedom combined with sharper accountability seems to me to be the adult way to go.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): The simple fact is that two-year-olds who have never been to school are not yet eligible for free school meals. What new mechanism will the Government use in the eligibility testing process, especially for children without elder siblings, to integrate the functions of the private and voluntary sectors and the tax authorities, and what will that new mechanism cost?

Michael Gove: That is a very good question. We are consulting now on how we can identify the broadly 20% poorest two-year-olds. At the moment, the number of two-year-olds who are eligible for pre-school education is just 20,000 and, under the previous Government, they were allocated just 12.5 hours. We intend to increase that significantly, and we expect 100,000 two-year-olds to be eligible for 15 hours of pre-school education. How we identify them is a matter on which we will consult, and I am sure that the hon. Gentleman would be delighted to play a part in that consultation process.

Sarah Newton (Truro and Falmouth) (Con): Under the last Labour Government, schools in Cornwall received some of the lowest levels of funding in England. I very much welcome today's announcements, but can the Secretary of State confirm that the pupil premium will be extended to early-years education?

Michael Gove: I can absolutely confirm that. I mentioned earlier that we are specifically looking at how we can target two-year-olds. I am sympathetic to the position in which Cornish MPs find themselves, because there are pockets of deep rural poverty in Cornwall that deserve to be attacked, and unemployment in Cornwall is far too high and linked to seasonal factors. We need to improve the level of educational attainment in Cornish schools, and I look forward to working with all Cornish MPs and, indeed, with the new unitary authority in Cornwall to do just that.

Mike Gapes (Ilford South) (Lab/Co-op): How much of the £7 billion is going to be given to people who want to set up free schools?

Michael Gove: The £7 billion is for everyone who is involved in improving state education, and the overwhelming majority will go to the head teachers who are responsible for doing a fantastic job in existing state schools. Free schools will be developed where we need new provision, either because provision does not exist or because it is not good enough. In doing that, we shall only be doing what I think the hon. Gentleman voted for when he supported the then Prime Minister, Tony Blair, in introducing his Education White Paper in 2005 and his Education and Inspections Act 2006.

Richard Graham (Gloucester) (Con): Although I appreciate that no final decision has been made on the level of university fees, will my right hon. Friend confirm that his Department will work closely with colleagues from the Department for Business, Innovation and Skills to ensure that no poor child from my constituency will be prevented from going to one of the best universities in the land because of cost?

Mr Speaker: Order. That was outwith the terms of the urgent question, but I feel sure that it is not beyond the dexterity of the Secretary of State to respond to it.

Michael Gove: Thank you for that very generous compliment, Mr Speaker.

I have been working closely with my colleagues from BIS. We have one joint Minister, who is my hon. Friend on the Front Bench—*[Interruption.]* He represents one of the most beautiful parts of Lincolnshire, which I was privileged to visit just 12 months ago. The image of the sunlight on the fens will stay with me for ever, as will the question from my hon. Friend the Member for Gloucester (Richard Graham). Yes, by using the £150 million that has been dedicated, we will do everything possible to ensure that children from disadvantaged backgrounds are encouraged to go to university. As there are no up-front fees, and because no one earning under £21,000 will be paying anything for their university education, those from poor homes and those who devote themselves to public service for low pay will not be dissuaded from going to university.

Fiona Mactaggart (Slough) (Lab): As well as poverty, other things that affect the cost of educating children to the highest standards include the mobility of the school population, English as an additional language, the extent of special needs and behaviour problems among children. Will the Secretary of State assure me that those education authorities that at present have a relatively high level of funding will not have that amount diminished as a result of this targeted funding?

Michael Gove: I am very grateful to the hon. Lady for her question. I am well aware that in Slough—the local authority that covers her constituency—there are huge pressures on education as a result of migration, of the many children who have English as an additional language and of the entrenched pockets of deprivation. It is our aim to ensure that all deprived children, wherever they are, receive the funding that is necessary, so we will take account of historic investment in tackling deprivation while ensuring that deprivation money is better targeted on the individual children who need it. The hon. Lady's area also has a particular pressure on primary places that was not addressed satisfactorily under the previous Government. We hope to work with her and her local authority to address that.

Stephen Lloyd (Eastbourne) (LD): I congratulate the Secretary of State on this excellent announcement on the pupil premium. I have one quick question. May I have confirmation that head teachers will have control of where money is spent so that the dead hand of Whitehall and the local authority does not get in the way of what head teachers know how to do best?

Michael Gove: I absolutely confirm that. One of the benefits of working in coalition, as the hon. Gentleman will know, is that I have been able to work with the right hon. Member for Yeovil (Mr Laws), the Chief Secretary to the Treasury and the Deputy Prime Minister to ensure that the right balance is struck between respecting the autonomy of individual schools and promoting social justice.

Clive Efford (Eltham) (Lab): The Secretary of State said that Sure Start centres would remain open for people who need them. That does not preclude any change to the criteria by which people access such services. Will he state categorically today that there are no plans to introduce any measures that will restrict access to Sure Start centres?

Michael Gove: It is our intention to ensure that Sure Start is a universal service. That is why we are investing additional money in securing 4,200 health visitors in order better to guarantee that the very poorest benefit from those services. One point that has been borne in on me is the fact that in the early years it is critical that children from poorer homes mix socially and learn the skills that come from being in a genuinely socially comprehensive environment, so we will ensure that Sure Start remains a universal service.

Nadhim Zahawi (Stratford-on-Avon) (Con): This announcement will come as welcome news to my constituents in Stratford-on-Avon, where we suffer from invisible rural poverty. I ask my right hon. Friend specifically what does the announcement mean for the current two-year-old pilot and will it continue until the expansion to all disadvantaged two-year-olds is introduced?

Michael Gove: My hon. Friend makes a good point and I know that he is absolutely committed to ensuring that pre-school education is delivered effectively to the very poorest. We will ensure that we move from the 20,000 children who currently benefit to around 100,000 as quickly as possible.

Chris Leslie (Nottingham East) (Lab/Co-op): I wanted to double check that I heard the right hon. Gentleman correctly. Will the education maintenance allowance be available to my constituents in Nottingham in the same way as it is currently?

Michael Gove: We will be reforming the way in which money is available to those over the age of 16 to ensure that we can meet our shared goal of maximising participation.

Mr Edward Timpson (Crewe and Nantwich) (Con): When it comes to levels of educational attainment, the Secretary of State will be aware that the worst performing group of children are looked-after children. I welcome the extension of the pupil premium to early years, but can the Secretary of State confirm today that that will extend also to all looked-after children and that careful consideration will be given to how the allocation of the pupil premium is taken into account for each of those children individually?

Michael Gove: I pay tribute to my hon. Friend's commitment to helping children in care. Before he entered the House he worked enormously hard as a family lawyer on behalf of those children and they have been consistently championed by him in this place. I confirm that it is within the scope of the consultation to extend the pupil premium to all looked-after children. He is absolutely right that their fate is a reproach to our conscience and that we must ensure that they get the resources and support that they need to fulfil their potential.

Geraint Davies (Swansea West) (Lab/Co-op): Does the Secretary of State agree that his education policy—along with what will happen on Wednesday—consists of cutting overall resources for state education by between a quarter and a third and redirecting what is left away from disadvantaged areas and failing schools towards leafy suburbs and extra schools in middle-class areas? How can that possibly be construed as fair?

Michael Gove: The short answer to the hon. Gentleman's question is no. The slightly longer answer is that he could not be more wrong. The figures that he quotes and the dynamic that he invokes are utterly wrong. We will not be cutting in the way that he mentions; we will be increasing spending on schools. More than that, we will be targeting spending more effectively on the very poorest. I know that it is difficult for him to cope with, but the Government whom he supported from the Back Benches, before he lost his seat and came back representing somewhere else, presided over a growth in inequality and a freezing of social mobility. If he is committed to advancing the education of the very poorest, he should make another journey, like the one he made from Croydon to Swansea, from the Opposition Benches to the Government Benches on the side of social justice.

Mrs Anne Main (St Albans) (Con): I recently visited Fleetville infant school which runs a very successful extended schools programme. Will funding such as the pupil premium be allowed to fund programmes that support the whole family and deliver a holistic approach to better educational outcomes for small children?

Michael Gove: My hon. Friend, who is a former teacher, makes a very good point. I absolutely agree that the funding can be used in the context of extended schools to deliver a holistic approach that will help the entire family to do better.

Bill Esterson (Sefton Central) (Lab): Does the Secretary of State recognise the very real concerns of families and students about cuts in child benefit, the future of the education maintenance allowance and tuition fees? Those concerns have led a number of students in my constituency to reconsider whether to go to university at all or whether to go for a different course that would allow them to be paid better when they qualify. What actions—

Mr Speaker: Order. I am grateful to the hon. Gentleman but his question is very wide. I have let him ask that question, but, after a very brief reply from the Secretary of State, we will move on to matters that are, I hope, fully within order.

Michael Gove: I share the hon. Gentleman's commitment to ensuring that no one who has genuine talent is put off going to university. That is the function of the £150 million undergraduate premium.

Richard Fuller (Bedford) (Con): By slashing the Building Schools for the Future bureaucracy that was holding back Bedford academy, and through his strong support for the free school in Kempston, my right hon. Friend has already delivered for disadvantaged children in my constituency more in five months than the Labour party did in five years. May I point out that 50% of the children in lower schools in my constituency come from families in which English is not the primary language? Will he please ensure, through the consultation, that attention is given to people in that situation so that they do not lose out in the very welcome review that he is undertaking?

Michael Gove: Bedford is a classic community in that even though it sits within a county that is considered to be relatively wealthy, it contains not just pockets but large areas of real deprivation. That is why my hon. Friend, who is utterly committed to social justice, has played such a big role in helping to support teachers such as Mark Lehain who are committed to providing a better education for the poorest. Today's announcement will only help such people to do a better job for the children who are in the most need.

Sheila Gilmore (Edinburgh East) (Lab): In his answers, the Secretary of State has referred repeatedly to the need to improve social mobility, which I very much welcome. Does he agree that any change in social mobility as a result of measures that he puts in place will take many years to show and that the freeze in social mobility in the past 13 years that he mentioned is down to the preceding 18 years of Conservative government? The children who have benefited from short programmes such as Sure Start in the past 13 years have not even left school yet.

Michael Gove: The hon. Lady is right that we need to do more to close the social mobility gap and that it will take some time to do so. However, the Sutton Trust, which is the leading organisation when it comes to championing greater social mobility, is quite clear that it was under the previous Government that social mobility moved backwards. I know that she would like to rewrite the past and lay the blame for the past 13 years on the former Conservative Government, but her comments reaffirm my belief that we need proper narrative history once again to be taught in the nation's schools.

Bob Blackman (Harrow East) (Con): My right hon. Friend will be aware of the wide disparity among the benefits that go to schools and colleges on the front line for deprivation. Much of that is because local education authorities hold back the money, or divert it for other purposes. How will he make sure that the money reaches the front line and is not diverted for other purposes?

Michael Gove: My hon. Friend makes a good point. One of the problems with the way that school funding worked in the past was that the method of allocating money was so opaque that much of the money that was intended to go towards deprived children went elsewhere. We will ensure the money is passported directly to the schools that need it.

Mr Robert Buckland (South Swindon) (Con): The poorer pupils premium will offer real help to children and young people in my constituency, but will my right hon. Friend work hard to ensure greater opportunities for children with speech, language and communication disabilities, which are so often associated with social deprivation?

Michael Gove: I absolutely will. If you will forgive me for saying so, Mr Speaker, I want to work on the marvellous steps that were recommended under the previous Government in the Bercow report. I pay tribute to the work of everyone associated with it, and to the right hon. Members for Morley and Outwood and for Kingston upon Hull West and Hessle (Alan Johnson). We want to carry forward their work.

Mr Speaker: I am grateful to the Secretary of State and colleagues.

Points of Order

4.1 pm

Paul Flynn (Newport West) (Lab): On a point of order, Mr Speaker. We are informed by the media that the Government have been lobbied into spending vast sums on the nuclear industry, which has already dumped a £93 billion bill on taxpayers to clear up its waste, at the expense of developing tidal power, with all its immense potential. It is power that is clean, British and renewable, virtually for eternity. May we call the Minister to the House? We realise that he is embarrassed by his volte-face, but a decision of such magnitude, which will have spending commitments for decades, should be presented to the House.

Mr Speaker: The hon. Gentleman is an experienced parliamentarian. He is no stranger to getting his point across, if at all possible in prime time, and registering it in the *Official Report*. He has been successful in that objective. There is, I believe, a written ministerial statement today. I hope that the hon. Gentleman will understand if I take the remainder of his comments in the spirit in which I think they were intended—as a contribution to the debate and a register for the benefit of his constituents of his trenchant views on the matter.

Greg Mulholland (Leeds North West) (LD): On a point of order, Mr Speaker. Over the weekend, the media reported a leak from the Treasury about the amount of compensation payable to Equitable Life victims. That came the day after the Public Administration Committee published its report on the matter. May I seek your advice, Mr Speaker, on how we can get clarification from the Treasury as to how that happened and if it is indeed the Government's position? May I also ask you how we clarify whether the Government will actually respond—as they should—to the Select Committee before they make firm and final recommendations?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order, to which I would make two points in response. First, as he knows, an urgent question application was submitted on the matter—if memory serves me correctly, by the hon. Gentleman himself. That urgent question was not granted and the House will know that the Speaker is not expected to give reasons as to why UQ applications are not granted and, in fact, is expected not to do so. In those circumstances, it is not really proper for an hon. Member, who may be disappointed by the decision, then to try to raise it as a point of order instead. I say that on this occasion, but I am sure that it will not be necessary to say it again.

The second response to the hon. Gentleman, who is a very assiduous contributor to our proceedings, is that on Wednesday he will have an opportunity, or at least the House will, further to probe these important matters, which I accept are of enormous interest to a large number of Members, and more particularly to hundreds of thousands, if not millions, of constituents across the country. I hope that is helpful to the hon. Gentleman.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): On a point of order, Mr Speaker. As my hon. Friend the Member for Newport West (Paul Flynn) said, today the Secretary of State for Energy and Climate Change published a written statement dealing with significant issues for the future supply of energy, particularly as regards tidal technology and nuclear power, in the United Kingdom. I share the concern that it was not an oral statement; the House should have had the chance to question the Secretary of State.

Mr Speaker, you have been a good champion of the House, and of Back Benchers in particular, when such information is leaked to the national newspapers. I was surprised to read in great detail about the written statement in the national and Welsh papers on Sunday. I hope that you will take the matter up and find out whether Ministers in devolved Administrations were consulted on this important information being leaked.

Mr Speaker: I am grateful to the hon. Lady for her point of order. The last point that she highlighted is a matter on which I can make no comment, because I am simply not in a position to know the answer to the question that she raised. I am grateful to her for saying that I do my utmost to ensure that the rights of the House are paramount. It will not have gone unnoticed over the past 16 months that, on issues on which it is perhaps thought that there should be an oral statement but none is forthcoming, there are frequently urgent question applications. This Chair has been inclined to grant them regularly; indeed, one was granted today.

My third point is that the form of statement made by a Minister—that is, whether it is written or oral—is a matter for the Department. It might help the hon. Lady to be reminded that the House has invited the Procedure Committee to look into how Government announcements are made to the House. She may wish to contact the Committee with this example and mention her dissatisfaction. She may also wish to submit further evidence as part of the Committee's inquiry. I hope that that is helpful to her and the House. I am grateful to her, and to other hon. Members, for their points of order.

Parliamentary Voting System and Constituencies Bill

[Relevant documents: Third Report from the Political and Constitutional Reform Committee, Parliamentary Voting System and Constituencies Bill, HC 437, and the oral evidence taken before the Committee on Thursday 15 July on the Coalition Government's programme of political and constitutional reform, HC 358-i.]

[2ND ALLOCATED DAY]

Further considered in Committee

[MR LINDSAY HOYLE *in the Chair*]

Schedule 1

FURTHER PROVISIONS ABOUT THE REFERENDUM

4.7 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): I beg to move amendment 261, page 14, line 8, at end insert—

'Counting officers

1A (1) The counting officer for a voting area that is—

(a) a district in England,

(b) a county in England, or

(c) a London borough,

is the person who, by virtue of section 35 of the 1983 Act, is the returning officer for elections of councillors of the district, county or borough.

(2) The counting officer for the City of London voting area is the person who, by virtue of that section, is the returning officer for elections of councillors of the London borough of Westminster.

(3) The counting officer for the Isles of Scilly voting area is the person who, by virtue of that section, is the returning officer for elections to the Council of the Isles of Scilly.

(4) The counting officer for a voting area in Wales is the person who, by virtue of provision made under section 13(1)(a) of the Government of Wales Act 2006, is the returning officer for elections of members of the National Assembly for Wales for the constituency that forms the voting area.

(5) The counting officer for a voting area in Scotland is the person who, by virtue of provision made under section 12(1)(a) of the Scotland Act 1998, is the returning officer for elections of members of the Scottish Parliament for the constituency that forms the voting area.

(6) The counting officer for the Northern Ireland voting area is the Chief Electoral Officer for Northern Ireland.'.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following: Government amendments 262, 168, 169, 263, 265, 266 and 270.

Amendment 353, in schedule 2, page 49, line 15, at end insert—

'(aa) certify as respects the votes cast in each parliamentary constituency within his area—

(i) the number of ballot papers counted by him in that parliamentary constituency; and

(ii) the number of votes cast in favour and against to the question asked in the referendum.'.

Government amendments 279, 280, 307, 309 to 322, 325 and 326.

Mr Harper: The Government have tabled a number of amendments relating to the referendum that are necessary to allow for the smooth running of the poll on 5 May. A number of the amendments—261 to 263, 270, 279, 280, 307, 309 to 322, 325 and 326—provide that all returning officers appointed for the local district council or borough elections in England, for Assembly elections in Wales, or for the parliamentary election in Scotland, are automatically designated as counting officers for the referendum. The provisions also appoint the chief counting officer for Northern Ireland as the counting officer in the referendum. That displaces for the referendum the standard position under the Political Parties, Elections and Referendums Act 2000, which provides that the chief counting officer would need to appoint the individuals.

The key advantage of the approach that we are taking is that the returning officer and the counting officer will always be the same person, and that will provide returning officers with certainty that they will be the counting officers for the referendum. It will also ensure that the counting officers in the referendum have the necessary experience. The approach that we have taken to the appointment of counting officers is generally consistent with the practice for other statutory elections where legislation automatically deems, or provides for, the appointment of certain postholders in local authorities as returning officers for different elections—for example, local authority returning officers automatically become returning officers for the purposes of European parliamentary elections.

Government amendment 326 makes changes to the definition of the voting area for Scotland and Wales. The change ensures that in Scotland and Wales the referendum will be run on the same respective boundaries as the Scottish parliamentary and Welsh Assembly elections. No changes are required in respect of the current provisions in the Bill for England, which already allow for the referendum to be run on the same boundaries as the local government elections, which are scheduled to take place on 5 May.

Chris Bryant (Rhondda) (Lab): Government amendment 261 refers, in paragraph 1A(2), to the counting officer for the City of London voting area being

"the person who, by virtue of that section—

section 35 of the Representation of the People Act 1983—

"is the returning officer for elections of councillors of the London borough of Westminster."

How many people does the Minister think could, by virtue of this, vote in the City of London in the referendum?

Mr Harper: I am not entirely certain how the number of voters who can vote there has anything to do with the appointing of the counting officer. I am not certain that I follow the hon. Gentleman's point.

Chris Bryant: It relates to the point that we will doubtless discuss later in relation to who is entitled to vote. As I understand it, paragraph 1A(2) refers only to peers, who would be able to vote in the referendum by virtue of their City of London voting right, as opposed to their residential voting right.

Mr Harper: We will talk about the franchise in due course. I do not think that the point is terribly sensible.

Government amendment 326 makes changes to the definition of the voting areas for Scotland and Wales. This change ensures that in Scotland and Wales the referendum will be run on the same respective boundaries as the Scottish parliamentary and Welsh Assembly elections. No changes are required in respect of the provisions for England, which already allow for the referendum to be run on the same boundaries as the local government elections.

Government amendment 262 provides that the local authorities within the voting areas must place the services of their officers at the disposal of the counting officer.

Thomas Docherty (Dunfermline and West Fife) (Lab): I seek clarification, further to the debate last week. Although I welcome the Government's U-turn to let us have the boundaries in Scotland, will they make a single extra penny available to Scottish returning officers, as they have requested through their submission to the Scottish Affairs Committee, to pick up all the additional costs that will arise from the referendum?

Mr Harper: We have listened to what returning officers and electoral administrators have said, to ensure that these more sensible administrative arrangements are in place. That was the point of working with them during the summer. On costs, as the hon. Gentleman knows, by combining elections and holding them on the same day, there is a significant saving to the devolved Administrations, because much of the cost involved in running elections will be shared and split equally between central Government providing for the costs of the referendum and the devolved Administrations. It is considerably cheaper to hold a combined poll. I do not understand his point. The devolved Administrations will have fewer costs than would be the case if we did not combine the elections.

Thomas Docherty: To clarify, Tom Aitchison, who is the interim chief returning officer for Scotland, wrote to my hon. Friend the Member for Glasgow South West (Mr Davidson) and the Scottish Affairs Committee stating that holding the referendum on the same day as the election would require extra ballot boxes, extra staff and perhaps larger rooms for a longer period. That, to my maths, is not a saving, but an extra cost.

Mr Harper: The costs specifically required to run the referendum are picked up by the Consolidated Fund and do not fall in any way on the local devolved authorities in Scotland, Wales and Northern Ireland. Some of their costs for running their own election—the cost of hiring polling stations, for example, and the cost of paying for staff—is split between the local Administrations and central Government from the Consolidated Fund, so the devolved Administrations make a saving, compared with running those elections on a stand-alone basis. I do not understand the point that the hon. Gentleman is trying to make.

Chris Bryant: That rather prejudges another set of amendments. I do not know whether the hon. Gentleman has yet tabled the 100 pages of amendments that he told some of us last week he would table today for debate next week. It prejudges also the statutory instruments which, as I understand it, the territorial officers will have to table and will be subject to votes in this place and in another place. The cost that may be required to issue, for example, two polling cards rather than one will be materially affected by those decisions. Is not the Minister getting his amendments in the wrong order?

4.15 pm

Mr Harper: Not at all. We will table the combination amendments today, and, as the hon. Gentleman acknowledged, I wrote to him, to the Opposition Front-Bench team and to every Member who either spoke on Second Reading or who, at that point last week, had tabled an amendment—in other words, to those who were most interested. I wrote also to the leaders of parties in the devolved Assemblies and Parliaments to keep them informed about what we planned to do.

The assumption referred to is the one on which we have been working, and holding the referendum on the same day as the elections produces a saving throughout the United Kingdom of about £30 million, which will be shared between the Consolidated Fund and those devolved and local administrations.

Chris Bryant: I am sorry, but the Minister is completely wrong. He may have already decided how Parliament, in this place and at the other end of the building, will dispose of the Bill, but I have not seen any of the amendments to which he refers. We are, of course, deeply grateful for his writing to us all, but we have not seen the amendments. He even admits in his own letter that the amendments that he will table today are incorrect, because they will be attendant on other orders that will have to be laid in relation to Scotland, Wales and Northern Ireland. I am afraid that, on this matter, the Minister is running ahead of himself.

Mr Harper: Mr Hoyle, I am sure that you do not want me to start debating new clauses and new schedules today which we will debate next Monday; I am sure that if I did so, you would put me straight. I have set out the basis on which we have said, since my right hon. Friend the Deputy Prime Minister made his statement to the House, we will proceed, namely by combining the referendum with local and devolved elections, which will produce a significant saving. If Parliament were to choose to do something different, we would clearly look at that. I am setting out the Government's proposals, which we have included in the Bill and will lay before the House for debate in Committee. I really think that the hon. Gentleman is making a meal of it.

Chris Bryant: But the Minister has not even made any provision in law. He has not presented to the House the provision in law for the combination of polls in Scotland, Wales or Northern Ireland. I simply do not understand how we can debate whether the counting officers should be the same for the two polls when we have not been presented with the legislation that the Government promised would come along somewhere down the line. The Minister is treating the Committee with some disrespect.

Mr Harper: If I may say so, I think that the hon. Gentleman is trying to make debating points where there simply is none. He knows the proposals that we

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have set out, and appointing the counting officers has nothing to do, in essence, with the combination amendments, which we can debate next week. They will be tabled today, as I said in my letter. Members will therefore have a week to scrutinise them, and we can deal with that point next week.

Mr William Cash (Stone) (Con): Will my hon. Friend be good enough to give me an assurance on an important question relating to thresholds? He mentioned the issue in response to my concerns during earlier proceedings of the Bill, and he knows very well that the threshold is commonly regarded by anyone who knows anything about referendums, including about the Scotland Act 1998, as absolutely crucial—as fundamental to the question of how such legislation should operate. Will he assure me that the splurge of amendments before us has nothing to do with depositing the threshold proposals, which I and my hon. Friends the Members for Epping Forest (Mrs Laing) and for Christchurch (Mr Chope) have put forward, at the bottom of the pile for discussion today? It looks highly likely that we will never reach them. Can my hon. Friend the Minister assure me that he is concerned to ensure that the threshold amendment is properly considered today?

Mr Harper: That is a very helpful intervention, because my hon. Friend will know that in the programme motion that I laid before the House last week we made provision for the House to sit until 11 o'clock this evening, which, notwithstanding Mr Speaker's decision to allow an urgent question, means that the House will have more time today to debate those matters than it would have had if we had not tabled the motion. I am very keen to ensure that the House makes progress. That is not entirely in my hands—it depends on every Member ensuring that we can debate all these important matters—but I certainly want to reach that debate and will do my best from the Dispatch Box to ensure that we do.

Government amendment 262 mirrors the position for UK parliamentary and European elections and is necessary to ensure that counting officers and regional counting officers are suitably equipped to conduct the referendum poll.

Government amendment 270 provides that across the United Kingdom the polling stations allocated for the referendum will be the same as those allotted to electors for UK parliamentary elections. The amendment also provides that where special circumstances arise, the counting officer can allot different polling stations.

The Government have tabled amendments 168 and 169 at the request of the Electoral Commission. Paragraph 5 of the schedule gives the chief counting officer a power to direct regional counting officers and counting officers in the discharge of their functions at the referendum. The amendments clarify the extent of the power of direction and specify that it includes any planning and preparatory steps essential to the smooth running of the poll. That will enable the chief counting officer to require regional counting officers and counting officers to provide copies of plans, risk registers or other things that demonstrate that they are, or will be, discharging their functions in accordance with the chief counting officer's directions. We believe that the amendments are necessary to enable the chief counting officer to prepare, plan and manage the poll effectively and to ensure compliance with any directions issued within the scope of her power.

Amendments 265 and 266 allow for the fees that are paid to counting officers and regional counting officers for delivering the referendum on the voting system to be reduced in circumstances where they fail to meet an adequate standard of performance.

Mr Robert Syms (Poole) (Con): Is there any provision for a recount if the poll is very, very close? There have been several incidents across the world with hanging chads and so on. Have the Government thought about that possibility?

Mr Harper: My hon. Friend will have noted that we are going to debate recounts under amendments 153 and 154 to schedule 2. I am sure that if he waits for that point in the debate, we will be able to engage in some dialogue.

The approach that I have outlined will apply only to the fee paid for the performance of a counting officer's duty relating to the referendum. It will not impact on the level of expenses that the same person can claim for carrying out their duties in their capacity as the returning officer for the election.

Thomas Docherty: Particularly after the events of last May, I welcome the provisions relating to electoral returning officers not doing their job properly, but has the Minister had specific discussions about what will count as being an inadequate performance? Given the terrible scenes that we saw in Sheffield and other cities, what view will the Electoral Commission take of the confusion that may be caused by having parliamentary elections and the referendum on the same day?

Mr Harper: The hon. Gentleman asks separate questions. The chief counting officer will decide about the level of performance of the counting officers and regional counting officers. The Electoral Commission has been working closely with the Government and with our officials, and it is confident that the referendum next year can be carried out in combination with the elections. We aim to continue to work with it to ensure that that remains the case through to 5 May next year.

Chris Bryant: I still do not quite understand what counts as counting officers not having performed their functions properly. What order of magnitude of not performing their functions properly would lead to their not being paid but would not disqualify the votes from that area?

Mr Harper: The level of payment would be a matter for the chief counting officer to determine; we would not expect Ministers or the Government to get involved in that process. The chief counting officer will be able to make the decision on payment in judging the performance of the counting officer, who will be working under her direction. That would not affect whether the votes counted in the same way as they did in a parliamentary election, even if there were the confusion that occurred this year at the close of polls, which did not affect the votes cast in those elections.

Chris Bryant: But if—let us say for the sake of argument—no polling cards were issued for the referendum in an area where there were other forms of election, or, indeed, no other forms of election, would that be a reason for not paying the counting officer? If the vote were tight, would it be a reason for invalidating the result in that area?

Mr Harper: The hon. Gentleman is trying to draw me into doing the chief counting officer's job for her and into trespassing into election courts. It is not my role to do that, and the chief counting officer will make those determinations in the usual way. The Government consider that the amendment represents the best option for ensuring that regional counting officers and counting officers are accountable for their actions. Given the hon. Gentleman's comments and those of the hon. Member for Dunfermline and West Fife (Thomas Docherty), I hope that that helps address some of the concerns that members of the public and, indeed, Members of Parliament expressed about the accountability of returning officers, following what happened at some polling stations, albeit limited numbers of them, on 6 May.

The amendments do not apply to the Chief Electoral Officer for Northern Ireland—the counting officer for the referendum—because he is a statutory office holder, who is already directly responsible to the Secretary of State for Northern Ireland for his conduct.

Thomas Docherty: Perhaps it might help the House of Lords when it considers the Bill if the Parliamentary Secretary asked the chief counting officer to provide written guidelines about exactly what would constitute not doing the job adequately.

Mr Harper: I am sure that their lordships do not require help from me or the chief counting officer to deliberate on the Bill. I would not dream of that. I am sure that the Electoral Commission will set out in due course the approach that it plans to take. It has already done that on some issues to do with the referendum, and I am sure that that will be helpful to Members.

Let me speak briefly about amendment 353, in the name of the right hon. Member for Doncaster North (Edward Miliband) and others. It would mean that, in addition to votes in the referendum in England being counted on local authority lines, as we propose, they would also need to be certified on parliamentary constituency lines. Given that 32 metropolitan boroughs, 52 unitary authorities and 192 second-tier districts in England have elections next year that involve around 31 million electors—79% of the total local government electors in England—the proposal would present significant additional administrative requirements for local areas and result in considerable extra effort and cost. Counting and issuing the results of the referendum on local authority lines, as we propose, makes administrative sense.

In Northern Ireland, counting and issuing the results will take place on Northern Ireland Assembly boundaries; in Scotland, on Scottish Parliament boundaries; and in Wales, on Welsh Assembly boundaries. That will be done because all devolved Administrations have elections to their respective bodies on 5 May. We think that that also makes administrative sense.

The Government see no benefit in requiring the counting officer to certify the results of the referendum in each parliamentary constituency. Any possible benefit would be outweighed by the extra demand on resources that the proposal would make. I would also be wary of inserting an extra layer of counting into the process, as I am sure that everyone wants a clean, clear result, which is calculated and communicated as quickly as possible.

For all those reasons, I urge hon. Members to support the Government amendments, and Opposition Members not to press theirs to a Division.

Chris Bryant: Broadly speaking, I do not disagree with the main thrust of the amendments that the Parliamentary Secretary has moved. However, I point out that we are debating 26 amendments in this group alone. The Parliamentary Secretary has already referred to the fact that he has written to hon. Members to say that he will table 100 pages of amendments today. I do not think that he has made them available to the Committee yet. They are necessary only because they provide for combining polls. Indeed, the majority of the amendments that we are currently discussing are necessary only because the Government had not spotted early enough that they needed to provide legislatively for the combination of polls in Scotland, Northern Ireland, Wales and England, and separately and differently in each because the law governing each of the three devolved nations is different, and in England, the elections relating to local authorities must have separate rules, too.

The Parliamentary Secretary has already admitted in the letter that he sent to many of us that the amendments that he has tabled today depend on existing law in relation to Scotland, Wales and Northern Ireland. Each of those territorial Offices intends to change the law for the combination of polls in the next few weeks—it was supposed to happen in mid-October, but none of the statutory instruments has been tabled yet. I see that the Secretary of State for Northern Ireland is in his place—*[Interruption.]* I am sorry: the Minister for Northern Ireland is in his place. Perhaps he should be Secretary of State, as he is a very charming chap. Now that he is having a little conversation with me, perhaps he will enlighten us as to when the statutory instruments for Northern Ireland will be available. It appears that he cannot do so.

4.30 pm

The Government do not even know when they will table the statutory instruments that will change the law, and on which some of the amendments that have been tabled today—but which we have not yet seen—depend. Without the combination of polls, none of the new amendments that the Minister has had to table today would be necessary, but the Government are still unable to tell us what they are going to do. I presume that the same is true in Wales and Scotland. That is not good enough.

The Minister said that he would table further amendments at a later stage. I hope that that will be a later stage in this House, and not in the other place. He is studiously ignoring me and biting his lip. Is he able to tell us? A profound silence arises.

The Minister referred to amendment 353 which, in similar language to that used in the Political Parties,

Elections and Referendums Act 2000, provides that an accounting officer would

"certify as respects the votes cast in each parliamentary constituency within his area:...the number of ballot papers counted by him in that parliamentary constituency; and...the number of votes cast in favour and against to the question asked in the referendum."

The Minister seemed to suggest that everyone agreed that that would be virtually impossible to do because it would be too expensive and difficult, and delay all the votes. However, he has already made it clear—although I stand to be corrected on this—that the counting of the referendum will happen after the counting of all other elections. He nods his assent. Consequently, it would not delay the other elections to count by parliamentary constituency. The Minister has therefore already inadvertently misled us once on this issue.

The Minister also suggested that others are in broad agreement. In fact, the Electoral Commission has said that it sees no reason why the votes could not be provided by constituency—

Mr Harper: Will the hon. Gentleman give way?

Chris Bryant: If I may finish my argument, I will then give way to the Minister.

In Wales, the results will be by Assembly constituency, which is the same as by parliamentary constituency. In Scotland, we will have them by Scottish parliamentary constituency, which is different.

Nick Boles (Grantham and Stamford) (Con): Will the hon. Gentleman give way?

Chris Bryant: In a moment, although I have promised to give way to the Minister. I am not sure which way age and beauty apply in this case, but I will give way to the Minister first, after I have finished my argument.

In England, we will have results by various electoral areas. For the sake of clarity in understanding the legitimacy of the vote, especially as this is not just an advisory but an implementing referendum—as laid out in the Bill—it would be better if we had equality across the United Kingdom, with the results announced in the same way in every constituency.

Mr Harper: If the hon. Gentleman is going to quote the Electoral Commission, he should quote it in full. It wanted to consider in more detail the implications of his amendment for the management of the count process and, in particular, the time required to conduct the count. It did say that it saw no insurmountable practical barriers to making the information available "in due course", but it did not have information about the impact on the count process and the declaration of the result. Missing out the words "in due course" gave a misleading impression of the Electoral Commission's views.

Chris Bryant: I am grateful for the Minister's helpful intervention, because he made half the point I made myself.

I do not know what the total number of results will be, but let us say there will be 40 for Wales, and those in Scotland, Northern Ireland and so on. If, in a large number of those constituencies, there is a very narrow result, it will have a material effect on how people view the eventual result, particularly in relation to the differential turnout that might be achieved in Scotland, Wales and Northern Ireland—by virtue of the fact that there are other elections at the same time—compared with the turnout in England.

Nick Boles: The hon. Gentleman's suggestion seems extraordinary. I had understood that the Labour party's position was to support the move towards an AV system, yet it seems that it wants to create all sorts of divisions and to undermine the legitimacy of any result. Surely, the whole point of the referendum is that it is a referendum for the electoral system for the Parliament of the United Kingdom. The only result that matters is the result for one constituency—the constituency of the entire United Kingdom. Trying to undermine the result by suggesting that, "Oh, in Gloucestershire, they did not vote for it" or, "Oh, in one part of Scotland, they did not vote for it", seems to be a very strange thing to want to do.

Chris Bryant: In which case, the hon. Gentleman should be voting against the Government's proposals, because their proposal is to conduct the referendum by constituency in Wales, by a different set of constituencies in Scotland and by different areas in England. Of course, those will all be added up. I am trying not to undermine, but to strengthen the result of the vote. Also, I should say to him that he has got the Labour party's manifesto slightly wrong. Our commitment was to have a referendum on the alternative vote. We want the United Kingdom to be able to make a decision on that.

Nick Boles: I misspoke. I meant that the person who tabled amendment 353—the hon. Gentleman's party leader—has stated that he is in favour of a move to the alternative vote. Is that not the case?

Chris Bryant: I have said that I will vote for the alternative vote, and I will vote for it. I personally support it and believe that it is the best way of electing candidates. It is how I was elected as a candidate for the Labour party in Rhondda, so it would be illogical for me to vote differently. However—

Nick Boles *rose*—

Chris Bryant: Could the hon. Gentleman just keep calm for a moment? I recognise that many other people in my party take a different view on that. However, all I am trying to secure is a clear process that is effected equally across the whole of the United Kingdom. I think, therefore, that it would make more sense for the results to be provided by parliamentary constituency, because, as he himself said, we are talking about parliamentary elections.

Nick Boles: I apologise for taxing the hon. Gentleman on this point, but I think he is muddling up a separate issue with the practical arrangements for counting the votes. The Government are proposing—eminently sensibly, it seems to me—that we use whichever constituencies are counting votes for other elections. So in the case of the Assemblies in the devolved institutions—

Thomas Docherty: Or Parliaments.

Nick Boles: Parliaments, sorry—forgive me. In the other nations of the United Kingdom, it makes sense to use their constituencies. In England, however, where all we have are local authority elections, it makes sense to use them. That is a practical measure. It is not to suggest that it is legitimate to start second-guessing the result on the basis of whether, in this or that constituency, the alternative vote passed. What the hon. Member for Rhondda (Chris Bryant) is suggesting is an entirely unnecessary, further division—

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. I was generous in allowing such a long intervention, but the hon. Gentleman has gone on far too long. If the hon. Member for Rhondda (Chris Bryant) chooses not to answer, I will understand.

Chris Bryant: Well, I was going to make an attempt at an answer, but I do not know whether it will appease the hon. Gentleman.

I am not trying to undermine the result of the referendum. I would like every single person in Britain to vote in it. I would prefer a system that would lead to even turnout within the bounds of normal elections, rather than a system in which there were important general elections in some places—Scotland, Wales and Northern Ireland—but only local elections in 83%, I think, of England. It would provide for a nicer outcome if we could provide results by parliamentary constituency boundaries.

Thomas Docherty: It might help the Committee to know that, certainly for Scotland, returning officers will allow recounting only at constituency level. They will not support a Scottish-wide recount because, they argue, it would be far too complicated. I think that that undermines the point made by the hon. Member for Grantham and Stamford (Nick Boles).

Chris Bryant: My hon. Friend makes a good point. My anxiety is that the route down which we are travelling will mean that ordinary constituents—voters around the land—will end up being treated differently according to which part of the country they live in. If the whole Bill goes through, they will effectively have less of an understanding of who represents them, because at different tiers there will be no clear structure going from the local authority, whether unitary or not, to the Assembly Member in Wales or the Scottish Parliament, or the UK Parliament. That is why the basic building block of the referendum, as it concerns the whole of the United Kingdom, should be the parliamentary constituency. The hon. Member for Grantham and Stamford (Nick Boles) obviously disagrees.

As for the Government's other amendments, I am still not satisfied by the Minister's answers about whether the job has been done properly or not. He says that he would not want to do the job of the chief counting officer, but in fact the Bill makes—*[Interruption.]* The Deputy Leader of the House says that it would be improper, but the Bill makes vast numbers of provisions relating to the counting officer, as does other legislation. As the Minister has introduced this new concept of not paying for a job that has not been done properly, I do not understand why it is not possible to delineate what not doing the job properly means.

For instance, if it had been decided that all the ballot papers for the referendum should be a different colour from the ballot papers for other elections on the day, would not doing the job properly mean that the ballot papers had not been provided in the right colour? Would not doing the job properly mean that some polling stations had too many barriers to disabled access? Would it mean that some of the polling stations did not have the official stamp? There is a whole series of issues in relation to the combination of polls that are laid out in the legislation in Scotland and Wales. I presume that the Minister wants to replicate those in the many amendments that he will come forward with, yet he says that he cannot make it clear this afternoon what not paying for a job that has not been done properly would mean.

Nick Boles: Is this not a classic example of over-micro-management of professionals? We have a chief counting officer who knows her job. Would the hon. Gentleman not be willing to let her decide whether the law was being adhered to, rather than telling her how to do it?

Chris Bryant: In which case, again, the hon. Gentleman ought to be striking out large parts of the Bill, because the Bill determines in large measure precisely what the job of the chief counting officer is. Indeed, other legislation similarly does so, because we have to have clarity about certain things. For instance, should it be possible in Wales and Scotland for there to be just one polling card for the referendum and the Assembly or parliamentary elections, or should it be a requirement that there be two? If we left the issue to people's discretion and everybody decided to go for one, many people might say, "No, sorry, that undermines the referendum," because we would not be making it clear that, in addition to the Assembly elections, which would get a lot of media attention in Wales, there was a referendum on the same day. That is why the hon. Gentleman's Government will introduce amendments on the matter. His quarrel is therefore not with me; it is with the Minister, which I am sure will upset him enormously.

I am keen to provide as much clarity as possible at this stage, quite simply because I believe that the Government are proceeding in the wrong order. First and foremost, we should have the legislation for Scotland, Wales and Northern Ireland, to make it clear whether there will be three sets of elections in Northern Ireland—again, we still do not know, despite the fact that it is not many months ago—*[Interruption.]* I am sorry, but I am being corrected by the Northern Ireland Minister. Would he like to—*[Interruption.]* No, he remains in his place. In relation to Wales and Scotland, the legislation has not been changed, but that is what should happen first, and then we should move forward with the amendments that have been adumbrated today.

I will be keen to press our amendment 353 to a Division. Even if hon. Members may support the Government, I very much hope that they will also support the amendment standing in my name and that of my right hon. Friends.

Mr Harper: There are one or two points of fact that are worth putting straight. My hon. Friend the Member for Grantham and Stamford (Nick Boles) was spot-on about the counting arrangements. As for the result of

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the referendum, the important thing is the overall number for the United Kingdom. On the counting arrangements, we listened to the electoral administrators and the Electoral Commission during the summer, and they made it clear that it made absolute sense to count on the same basis, given the other elections taking place. I do not see that that makes any difference whatever to the overall result of the election.

4.45 pm

On the point about Northern Ireland, a written statement was laid before the House last week by the Minister of State, Northern Ireland Office, my hon. Friend the Member for East Devon (Mr Swire), to make it clear that the local elections in Northern Ireland will indeed take place on 5 May next year. It is correct that the parliamentary instruments have not yet been laid, but it has been made clear that, subject to the will of Parliament, the elections will take place on that day.

Chris Bryant: I am grateful; I had not noticed the written ministerial statement last week. Will the Minister clarify whether it is necessary to have legislation in order to be able to combine the polls in Northern Ireland?

Mr Harper: The combination amendment will provide for the combination of all the elections taking place next year.

Returning to the point about the instruments that will be laid, the amendments are clearly based on existing law. It would be bizarre to table amendments to this Bill in respect of legislation that has not yet been laid before Parliament. The amendments to this Bill are based on the law as it stands. As the hon. Gentleman knows, the territorial offices will lay orders, and if they change the legislation, we will make the appropriate changes and lay them before the Committee or the House.

Chris Bryant: Of course I fully understand that: amendments cannot be tabled if they depend on legislation that does not yet exist. It would be better to put the legislation in place first and then table the amendments to it. I seek the Minister's assurance on one issue. It would be inappropriate if the amendments that follow after the territorial statutory instruments were not tabled in this House—in other words, if we were not to see them on Report. I hope that the hon. Gentleman will make that assurance to the Committee.

Mr Harper: Like the hon. Gentleman, I am very keen that on matters to do with elections this House should get to pronounce before the Bill goes to the other place. I believe that that is important; we will seek to achieve that.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I am looking at amendment 353, but it is not clear precisely which "parliamentary constituency" is referred to. Does it mean a Westminster parliamentary constituency or a Scottish parliamentary constituency? As Members would or should know, there is quite a difference in numbers—72 as opposed to 59—between the two. There is some ambiguity in the amendment; it is not at all clear.

Mr Harper: The hon. Gentleman makes a very good point. Fortunately, I am not responsible for the drafting of amendment 353; it is a matter for the Leader of the Opposition and his right hon. and hon. Friends, so they should answer questions about the amendment. For my part, I urge them to withdraw it. If they press it to a vote, I urge the Committee to vote against it. On this occasion—it does not happen on many occasions—I am at one with the hon. Member for Na h-Eileanan an Iar (Mr MacNeil).

Chris Bryant: For the sake of clarity, we are not saying that the count needs to be done by those constituencies; we are merely saying that the vote needs to be provided by parliamentary constituencies so that we can have full clarity across the whole of the land on the same basis. The wording is taken directly from the Political Parties, Elections and Referendums Act 2000.

Mr Harper: Fortunately, neither I nor my hon. Friends were responsible for that legislation. It was introduced by the hon. Gentleman and his colleagues when they were in government. I am thus not going to defend the wording. I think that the hon. Member for Na h-Eileanan an Iar is probably spot on in what he said.

Mr MacNeil: The intervention from the Opposition Front Bench has only added to my confusion. Does the amendment refer to both the Scottish and the Westminster parliamentary constituencies or neither—or is it "Please yourself and toss a coin"?

Mr Harper: Again, I think that the hon. Gentleman is quite right. The Government propose to have the counting done and the results declared in tandem with the other elections taking place that day. We believe that that is administratively sensible and in no way affects the legitimacy of the results, as my hon. Friend the Member for Grantham and Stamford has pointed out.

My final point in response to the hon. Member for Rhondda is that he was effectively inviting me to do the chief counting officer's job for her. Of course there are rules laid down for the conduct of elections, but it is for her to judge whether the regional counting officers and others appointed to work for her are carrying out their responsibilities appropriately. It is not for me to micro-manage her judgment—her judgment is a matter for her. On that basis, I urge hon. Members to support the Government's amendments and urge the hon. Member for Rhondda not to press amendment 353 to a Division.

Amendment 261 agreed to.

Amendment made: 262, page 14, line 28, leave out sub-paragraphs (3) to (5) and insert—

'Assistance to counting officers etc

2A (1) A local authority whose area forms, or forms part of, a particular voting area must place the services of their officers at the disposal of—

(a) the counting officer for the voting area, and

(b) the Regional Counting Officer (if any) appointed for the region that includes the voting area,

for the purpose of assisting the officer in the discharge of his or her functions.

(2) In this paragraph "the local authority"—

(a) in the case of a voting area that is a district or county in England, or a London borough, means the council for that district, county or borough;

(b) in the case of the City of London voting area, means the Common Council of the City of London;

(c) in the case of the Isles of Scilly voting area, means the Council of the Isles of Scilly;

(d) in the case of a voting area in Wales, means the council of a county or county borough;

(e) in the case of a voting area in Scotland, means the council of a local government area.'.—*(Mr Harper.)*

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): I beg to move amendment 328, page 15, line 35, leave out 'may' and insert 'must'.

The Chairman of Ways and Means (Mr Hoyle): With this it will be convenient to take the following: amendment 329, page 15, line 37, at end insert—

'(aa) directions about the discharge of their functions specifically in relation to voters with disabilities;'.

Amendment 330, page 17, line 5, at end insert—

'*Disabled voters*

7A (3) The Electoral Commission must take steps to ensure that disabled voters are able to access information and support to facilitate understanding and participation in voting and elections.

(4) The Electoral Commission must issue guidance in relation to ensuring voters with disabilities have equality of access to the places and process of voting.'.

Amendment 331, in schedule 2, page 26, line 31, at end insert—

'3A Any notices must—

(a) be published in a minimum 12 point font size, and

(b) include a prominent message in minimum 16 point font highlighting the availablility of accessible formats.'.

Amendment 333, page 27, line 3, at end insert—

'*Access to voting for disabled people*

5A Each ballot paper—

(a) must be produced in a range of formats accessible to people with disabilities;

(b) must contain a tactile voting template to ensure participation by a blind or partially sighted voter.'.

Amendment 334, page 27, line 26, at end insert—

'(za) ensure such rooms selected for polling are accessible to persons with disabilities in accordance with the requirements of the Equality Act 2010,'.

Amendment 335, page 28, line 29, leave out from beginning to 'about' and insert 'information'.

Amendment 336, page 28, line 32, at end insert—

'(ba) a transcription into large or giant print;'.

Amendment 337, page 28, line 32, at end insert—

'(ba) a transcription into electronic format;'.

Amendment 339, page 31, line 39, at end insert—

'(za) information on assistance available at every polling station to ensure access for voters with disabilities;

(zb) clear instructions to all presiding officers and polling clerks on the right of all registered voters with disabilities to vote;

(zc) clear guidance to presiding officers about the information and support specific groups of disabled people require.'.

Amendment 340, page 31, line 45, at end insert—

'(4A) For the purposes of paragraph (4)(zc) specific groups may include (although not exclusively)—

(a) people with mobility difficulties;

(b) people with a visual impairment such as blindness or partial sight;

(c) people with a learning disability;

(d) people with social or cognitive disorders such as autism or Asperger's syndrome;

(e) people with mental health problems.'.

Alun Michael: I am grateful for the opportunity to speak to this group of amendments. I am particularly pleased that it includes a number of amendments tabled by my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger), who will speak to them in this debate.

The amendments relate to the referendum process, but in the long term they ought to apply much more widely to electoral arrangements in general. After all, the ability and right to vote is the central element of citizenship. The extension of that right and of the franchise—the inclusion of people in the electorate—has been central to the UK's development into a mature democracy over many years. However, if the individual voter is unable to exercise their right to vote because physical obstacles are placed in his or her way, or if he or she cannot make sense of the ballot paper, the right to vote is meaningless. That is what the amendments address. If an individual cannot understand the choices before them, they are denied their democratic right. At the centre of these proposals is the importance of the democratic rights of those affected.

I pay tribute to the work of the Royal National Institute of Blind People, which has done a terrific job over the years to help Government Departments to understand what it means to look after the interests of the blind or partially sighted, or those who have even slight difficulties with seeing, perhaps with the onset of old age. The organisation has done that work consistently over many years. Today's debate goes further than that, because it has been stimulated not only by the RNIB's comments and concerns, but those of Scope and Mencap. A range of citizens with a range of disabilities and obstacles in their way could be helped if the Committee accepts the amendments, and I urge all Members to support them.

To illustrate where things can be improved, RNIB did a number of presentations—a number of Members on both sides of the Committee attended them, including the Deputy Leader of the House. It highlighted the implications, for instance, of the obstructions to understanding television. Members were invited into Aunt Megan's living room, which was set out in the Strangers Dining Room, to see what following a television programme is like for people who do not have full vision. Actually, the dining room was changed into a more attractive place in many ways—the fact that Megan is the name of one of my granddaughters is absolutely irrelevant. Nevertheless, that imaginative demonstration got across to us how the inability to see things can affect people. Indeed, I am tempted to suggest that in order to lend weight to the argument for these amendments, the RNIB's next exercise should be to lay out in the Strangers Dining Room a polling booth, complete with frosted glass and the other things it has sometimes provided in order to enable us to understand the problems. If it were to do so, all Members could see the issues that arise when the ballot paper is not absolutely clear, and I am sure that that would lead to Members of all parties being not just supportive of the amendments, but enthusiastic for them.

[Alun Michael]

Ballot papers are often more complex than necessary, usually because the i's are being dotted and the t's are being crossed and all sorts of possible challenges are being eliminated. Of course, that has a consequence for those who need to be able to see very precisely what they are doing. As I have said, these amendments refer to the referendum process, although I think they should apply more generally. However, the design of the referendum ballot forms will be different from that of the familiar election forms, which is why these amendments are so important on this occasion.

Chris Bryant: My right hon. Friend is making some very good points, and I hope I will be able to explain why I agree with him both on this topic and with some other amendments that address similar topics.

There is an issue to do with ensuring that the information carried on polling cards is presented in a way that makes sense to, and is user-friendly for, all disabled voters. I am concerned that that will be more difficult when we have a combination of polls, because it will be necessary either to provide two polling cards, which may lead to considerable confusion for some people with disabilities, or for the writing on the polling card to be made so small that it is far more difficult for people to use. Does my right hon. Friend share that concern?

Alun Michael: My hon. Friend makes a very good point. That is precisely the sort of issue that I believe should be covered by instructions, as we must also ensure that the simplicity of the form does not provide an unintentional additional obstacle. He is therefore right to raise that concern, and his point underlines the importance of my amendments. These amendments would allow direction to be given to deal with that concern by, for instance, ensuring that there is a simple form that enables people to understand what they are being advised to do in the polling booth.

I have tried to think of any reason Ministers and their advisers might have for not accepting the amendments. I hope I do not need to anticipate that, as I hope the Minister will respond by saying that the amendments are so clear and straightforward, and the case for them has been so well argued by myself and my hon. Friend the Member for Liverpool, Wavertree, that he is totally convinced and accepts them all. Having listened to his response to the debate on the previous group of amendments however, it seems that he might say the amendments should not be necessary because our expectations—in his case from Government, in our case from Parliament—are clear in the phrasing of the Bill. For instance, paragraph 3(1) of schedule 1 states:

"The Chief Counting Officer, Regional Counting Officers and counting officers must do whatever things are necessary for conducting the referendum in the manner provided by this Part."

I do not think that is good enough, however. I have had enough experience of ministerial office to have seen how such very clear intentions written into a piece of legislation can be strangled by those who implement the law in the subsequent rules and interpretations unless we are very clear about our expectations, and I believe that our disabled and partially sighted citizens deserve us to be absolutely clear and unequivocal in respect of these amendments.

Paragraph 7 of the schedule states:

"The Electoral Commission must take whatever steps they think appropriate to promote public awareness about the referendum and how to vote in it."

Well, yes, but that is not always the way things are delivered and the Electoral Commission is not very good at using its powers to ensure consistency in electoral arrangements. So these amendments are necessary, as we must ensure that appropriate arrangements are in place.

5 pm

There are grounds for concern, because the Polls Apart 2010 general election survey found a number of worrying results. A total of 67% of polling stations had accessibility issues, such as poor access for people with mobility problems—I get the impression that things have not improved everywhere in recent years in that regard—and 47% of postal voters found accessibility problems with the ballot papers. Somebody voting by post from home may have people who can assist them, but they may not, so the clarity of the ballot paper is crucial for them.

Perhaps the most worrying finding in relation to my amendments is that nearly half of all polling stations failed to display a large-print ballot paper. That is worrying not only in itself, but because that figure represented a drop of 31% since the 2005 general election survey. I am surprised that a deterioration occurred on something that I am sure Members across the Chamber would agree ought to be in place as a matter of course and something that we can depend on as being understood by election staff and returning officers as the expectation of Members of Parliament right across this Chamber.

These things should be basic, but I hope that the Minister will not suggest that we just leave it to the electoral officer and the returning officer, or to the Electoral Commission, which has, in general, tended to fail as a regulator and has been poor in a number of aspects. It has grievously disappointed those of us who feel that it should have acted much more vigorously in promoting the full registration of the electorate, because in practice it left about 3.5 million people omitted from the register. That is a matter for this Government to pursue, but I can say with confidence that Labour Ministers and Members have, for a number of years, expressed those concerns vigorously.

The Electoral Commission has not covered itself in glory in using its powers to regulate. It has been good at asking for greater powers, but it has powers that could have taken us much further and much faster over recent years in ensuring that a number of improvements were made in areas where, as I have said, worrying deteriorations have occurred, had it used the capacity to name and shame and to encourage the bringing together of people.

One point made by the Committee on Standards in Public Life, of which I was a member at the time, was that there should be regional arrangements in order to ensure that the Electoral Commission drilled down much more effectively to that local level and that it produced something that is not really a regional arrangement. In Wales, the situation has been better. Having a Welsh commissioner and a chief executive covering Wales and working with all the local authorities in Wales as a team produced far better results in the last government and Assembly elections than was the case

across the regions of England. That demonstrates to me that things could have been done better had the Electoral Commission been more determined and followed more clearly the expectations of this House and of Ministers.

For all those reasons, it is important that these amendments should be made. Amendment 328 seeks to delete "may" and replace it with "must". Surely our fellow citizens should have the right to expect that we insist that things are done in this way and that we do not just leave them to whim. Taken with that, amendment 329 would require chief counting officers to give directions to regional counting officers about their functions, specifically in regard to disabled voters.

Amendment 330 would insert a specific reference to disabled voters. Proposed new sub-paragraph 7A would state:

"The Electoral Commission must take steps to ensure that disabled voters are able to access information and support to facilitate understanding and participation in voting and elections."

Being a little old-fashioned, I would have preferred them to be able to "gain access" to that information and support; nevertheless, I am sure we know what is intended. The amendment would make that a requirement, and that is what is important. It does not go into detail or try to micro-manage, but it would make that an essential requirement. The amendment goes on to propose:

"The Electoral Commission must issue guidance in relation to ensuring voters with disabilities have equality of access to the places and process of voting."

That would ensure that access, and access to relevant information, was guaranteed for disabled voters.

Amendment 331 would make it clear that any notices must

"be published in a minimum 12 point font size"

and that they must

"include a prominent message in minimum 16 point font highlighting the availability of accessible formats."

Anyone who has dealt with someone whose sight is failing—I recall this happening to my mother in her later years—will be aware of how frustrating and difficult it can be for them if they are unable fully to understand the papers that they are trying to read. That is a generality in life, but it is a particular burden for people who are losing their sight. Many elderly people feel passionately, and this is an especially important matter for citizens who want to exercise their democratic right to cast their vote, whether in a referendum or an election.

I was tempted to table a further amendment to ensure that such information be printed in a sans script, but I hope that we can trust the Electoral Commission—and the chief counting officers and regional counting officers—to seek the advice of the RNIB so as to ensure that everything is done to make the ballot papers and the information for voters as accessible as possible. It is therefore with some pride that I have moved amendment 328. I know that my hon. Friend the Member for Liverpool, Wavertree wants to outline some other points on this group of amendments.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I should like to speak to amendments 333 to 340, which aim to correct a serious deficit in our democracy. People will have seen in the media some of the scenes from the recent general election, in which voters queued for hours to vote. That happened in my constituency, where there was a paucity of ballot papers, and some electors are known to have been denied access to their polling station. What is less well known, however, is that a staggering 67% of disabled people surveyed by the Polls Apart campaign reported experiencing barriers to their participation in the ballot. Sadly, this is an acute reflection of the voting experience of thousands of disabled voters at every election for every tier of government since emancipation. It also highlights a worrying lack of accountability, as there is at present no way for people to appeal when they are wrongly denied their vote, other than by mounting an expensive, onerous and bureaucratic legal challenge.

Many disabled people find it difficult physically to access a polling station, and that can be for a variety of reasons, including steps leading to the entrance, narrow doorways and corridors or a lack of a low-level polling booth. As my right hon. Friend the Member for Cardiff South and Penarth (Alun Michael) said, nearly half of all polling stations failed to display a large-print ballot paper, making it virtually impossible for visually impaired people to mark their papers independently and with privacy. Election officials regularly offer postal voting as a panacea for disabled people to participate in the ballot, but disabled people often want to vote in person, like everybody else, or at least to have the choice. The fact that people are disabled is no reason to deny them that opportunity.

It is also important to remember that for a significant minority, postal voting is completely inaccessible. Voters with visual and co-ordination impairments, people with learning difficulties and those with low literacy or English as a second language all find it difficult or impossible to vote independently and in secret using a postal vote. In May, 47% of disabled people surveyed reported difficulty in completing their postal vote. For voters with co-ordination impairments such as cerebral palsy and arthritis, voting by post can present significant barriers. Even if someone can mark their ballot paper without assistance, the need to tear down perforated lines, fold the ballot papers and put them into a series of envelopes can make voting by post difficult and frustrating. I wonder whether any hon. Members here today could imagine going through the postal ballot process if they were blind.

The Electoral Commission said in its briefing for this Committee stage that it intends to work its hardest to ensure that the AV referendum is as accessible as possible. Although I welcome that news, I and organisations such as Scope, the RNIB and Mencap will quite rightly point to the evidence that I just presented to the Committee and say that more must be done. The Representation of the People Act 2000 and the Electoral Administration Act 2006 make some provision to improve accessibility in general, local and European elections. The Electoral Commission has also produced some good guidance, yet the evidence presented by the Polls Apart campaign shows that this last general election excluded thousands of disabled voters. What right have we to exclude them from this referendum or from any ballot box now or in the future?

There are some simple steps that need to be taken. Existing statutory obligations and guidance must be met and an accountability mechanism for returning officers must be introduced if they fail to meet them. Returning officers need to work with disabled people

[Luciana Berger]

and their organisations when designating and setting up polling stations. Local authorities should annually review the accessibility of polling stations and publish that information for the electorate to comment on. Following the example of the Northern Ireland review, returning officers should write to voters informing them of the inaccessibility of their polling station and give disabled people the right to choose which polling station to attend based on their access needs.

It is essential that this Bill makes provision to minimise the risk that changes to our voting system will impact negatively on disabled people's right to participate in the electoral process. Without proper scrutiny to ensure that there are no barriers to participation, the proposed changes could make it more difficult for disabled people to exercise their fundamental right to vote.

I want this referendum to be the most inclusive ballot we have ever held in the UK. It should be the ballot that sets the benchmark and this referendum should ensure that every person who wants to is able to exercise their right to vote.

Mr Harper: I welcome the principles behind the amendments tabled by the right hon. Member for Cardiff South and Penarth (Alun Michael) and the hon. Member for Liverpool, Wavertree (Luciana Berger). It is very important that everyone has an equal opportunity to cast their vote in the referendum, and I am glad that the amendments raise that important issue.

I want to reassure the Committee that there are significant provisions made throughout the Bill—indeed, later this afternoon we will consider some Government amendments that will give the Electoral Commission further powers to ensure that the forms used are accessible—to ensure that voting is fair for all, including disabled people. Ensuring that ballot papers and polling stations are accessible to all is already a duty that counting officers and returning officers have. For the purposes of the referendum the chief counting officer will also be able to give directions to counting officers on how they discharge those functions.

Alun Michael: Will the Minister comment on the central point of the change from "may" to "must"?

5.15 pm

Mr Harper: If the right hon. Gentleman will allow me, I shall first set out what the Electoral Commission has said, some of which the hon. Lady has quoted, about how it intends to proceed. The chief counting officer can give directions to counting officers. Both the right hon. Gentleman and the hon. Lady have made the point that in previous elections the Electoral Commission has not done an adequate job. Interestingly, Scope's Polls Apart report, which I had the opportunity of speaking to at the launch event earlier this year, said that the guidance that the Electoral Commission and the Association of Electoral Administrators produced on facilitating voting by disabled people was good but was not well implemented. The Electoral Commission does not have the power in elections to mandate the way in which returning officers behave but the chief counting officer will be able to issue directions to regional counting officers and counting officers. It is therefore worth considering the approach that the Electoral Commission plans to take.

The Commission believes it is important that the voting process is accessible to all electors. It says that it takes seriously its duty as a public body under equality legislation—including under the Disability Discrimination Acts and the Equality Act 2010, relevant parts of which will come into force next year—to ensure, among other things, that the information it provides is accessible and available in alternative formats. It has made it clear that the information it plans to send to every household will include information about voting systems, what will happen in the event of a yes or no outcome and how to take part in the referendum, including how to register and how to vote. That booklet will be available in a range of formats, including Braille, audio and large print.

The chief counting officer has said that she will issue guidance and directions to regional counting officers and counting officers regarding their duties in respect of accessibility and disabled voters under relevant equality and electoral legislation. She has also said that the Commission will continue to work with the excellent organisations that the right hon. Gentleman and hon. Lady mentioned, such as Mencap, the RNIB, Scope and other representative and advocacy organisations, to ensure that the referendum is managed and delivered in an appropriate way so that all electors have the chance to participate. That is a great reassurance because, unlike in elections, the chief counting officer for the referendum will be able to direct regional counting officers and counting officers on how to carry all that out.

My officials have discussed aspects of the Bill with Scope and they are very happy to do so with other organisations. In my previous life as the shadow Minister with responsibility for disabled people, I worked very closely with many organisations representing disabled people so I know what an excellent job they do. I also know from my experience as a constituency MP how much disabled people want to participate in elections not just by postal vote but, as the hon. Lady correctly said, by taking part in person. People with physical disabilities and people with learning disabilities are keen to express their views and we want to make sure that they can do so.

Having welcomed the amendments in principle, I am not convinced that they are the best way of achieving the aims behind them. The commission already has powers to do what the amendments propose in many cases and I do not think that turning those powers into obligations—this comes back to the point on which the right hon. Gentleman was pressing me about converting "may" into "must"—would add much to the Commission's options. Indeed, it might be damaging to take away its discretion to decide when it is necessary to issue directions or guidance. I do not think that would be helpful. By setting out what the commission has said on this, I have shown that it takes these issues very seriously. There are already important legal obligations on the commission, as a public body, under disability discrimination legislation and the Equality Act and I am not sure that the extra obligations that the amendments would place on the commission would add clarity. If anything, they would be in danger of making the legal position more complex.

Let me address another issue that the right hon. Gentleman and the hon. Lady have both touched on about this poll in particular and elections in general. There may be changes that we can make to electoral law in general—the Government keep that under review—but I do not think that legislating specifically for one poll, even if there were things on which I agreed with the right hon. Gentleman, would be a sensible way of going about it.

On electoral registration, the right hon. Gentleman was right to point out that there is an issue to do with the number of people who are eligible to vote and are not on the electoral register. As he knows, during our September sittings I made a statement in the House about bringing forward individual registration, to deal not just with people who are on the register but should not be, but with the completeness of the electoral register. The Government think that completeness is as important as accuracy, and I have written to every local authority to urge their participation in data-matching pilots to try to identify voters who are not registered to vote and to look at how local authorities can best target their resources to get them on the electoral register.

The right hon. Gentleman made a tiny partisan point, when he said that he and his hon. Friends had been calling for change for many years. That may be the case and I have no doubt that the previous Government meant well, but in terms of outcomes they did not make a huge amount of progress in getting people on the electoral register. I hope he will support this Government in our efforts to do better.

To improve disabled people's access to the democratic process, it is important that the Government continue to work with the organisations that the right hon. Gentleman, the hon. Member for Liverpool, Wavertree and others have mentioned. We shall keep the matter under review, but I do not think the amendments are the best way to improve access for the disabled to this poll, so I urge both Members to withdraw their amendments.

Chris Bryant: I warmly congratulate my right hon. Friend the Member for Cardiff South and Penarth (Alun Michael) and my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) on their amendments. There was a time when Parliament did not consider the rights of people with disabilities at all: those people and their rights were often ignored by society. We have moved a dramatic distance over the past 15 years in the rights of people with disability.

I am somewhat disappointed by the Minister's words. When I was a Minister, an amendment might look perfectly sensible but some civil servant would come up with a reason why we could not possibly agree to it. The Whips would then say that we had to hold firm and that we could not possibly give way. The Minister may be right about some of the amendments, and it would be wrong to put in the Bill precise rules about whether the font size should be 12 point, 16 point or whatever. However, it would seem from what the Minister said that there would be no harm, in terms of their general principles, if the first two amendments tabled by my right hon. Friend were added to the Bill. They would apply only to this referendum, not to everything else.

The Minister made a point about the difference between the relationship in a normal election between the Electoral Commission and the returning officer, when the commission cannot direct, and the situation outlined in the Bill, when the chief counting officer can direct. That is all the more reason for us to provide in the Bill precise instructions that are in terms not of "may" but of "must". I challenge the Minister to tell us what would be the harm in that amendment. I can see no harm that could possibly accrue, whereas the possible advantage could be significant to people with disabilities.

It is worth bearing in mind the statistics, which we have already heard, on the number of people who face significant accessibility barriers when voting at polling stations—67% of people with disabilities. We should recognise that there has been a tiny improvement on 2001 and 2005, but the previous Government were not enormously successful either, which is why we need to be more resolute in pursuing such issues.

The interesting figures in "Polls Apart" on voting by post are significant. Many people have presumed that now that people with disabilities can vote by post, the problem is solved. In actual fact, the great variation in how to cast a postal vote across the country—there are different ways of folding envelopes and of putting one envelope inside another—means that it is difficult to have a national campaign explaining how to use one's postal vote. Many elderly people, quite apart from other people who might have disabilities, find it phenomenally difficult to vote by post.

At the general election, both in my constituency and when campaigning in other constituencies, I found that a lot of people had registered for a postal vote but found it difficult to understand precisely how they were meant to take it forward. Many of them would have preferred to have voted in a polling station, but if they are to be able to do so on an equal basis with anyone else in the land, explicit provision enabling them to do so needs to be made.

At the last election, there were fewer large ballot papers available than in 2005, which is a disgrace; I take no pleasure in saying that something that happened under the Labour Government was not an enormous success, but that is a fact. The difficulty with the argument that the Minister advances is that he is basically saying, "It's all going in the right direction. We don't need to put measures in the Bill, because it will all be provided for," but the truth is that while many officials who have worked on the issue in previous years have made gains in some areas, in others they have moved backwards in relation to their obligations.

For instance, there are fewer polling stations in the Rhondda than there were in 2001. In the case of the polling station provided in Stanleytown, a small village in Tylorstown that is on a fairly steep hill, there was no public building in which to put it, and as the doors of all the houses are too narrow, no house could be used, so a portakabin was used. Unfortunately, halfway through the afternoon, the portakabin started sliding down the hill, which did not exactly make it more accessible than any other polling station.

There are serious problems, and I urge the Minister seriously to consider supporting, rather than opposing, the amendments that have been tabled.

Mr Harper: I have considered the amendments carefully, partly because of the role that I held before we entered government. I looked at the amendments myself, and at

[Mr Harper]

my advice from officials, and I genuinely do not think that the amendments add anything to the legal obligations that already fall on the Electoral Commission as a public body under the Disability Discrimination Act 1995 and the Equality Act 2010. Also, interestingly, the chief counting officer can make directions about whether the guidance, which Scope acknowledged was good, is put into effect. In response to the "Polls Apart" report, I have asked officials to look at all the recommendations and how we might act on them. The period after the referendum will be a good opportunity to look at the difference that the chief counting officer has been able to make with her direction, and to see whether we have proposals to take forward for elections more generally.

Chris Bryant: I am sorry, but that is more soft soap. I fully understand the Minister's good intentions—he has advocated the causes that we are discussing many times—but I think that he has been seized by civil-servantitis. I fully understand the motivation behind the amendments of my right hon. Friend the Member for Cardiff South and Penarth and my hon. Friend the Member for Liverpool, Wavertree, relating to the size of font and so on. I understand why the Minister might not want those provisions in the Bill, with regard to the referendum, but his argument falls at the first hurdle. He says that the chief counting officer will be able not just to provide guidance, but to direct. Surely it would make more sense for us to say not that the chief counting officer may make certain directions, but that she must do so, including

"directions about the discharge of their functions specifically in relation to voters with disabilities".

I cannot understand for the life of me why the amendments could not be accepted. I can see no harm that would be done if they were. The Minister has not advanced any example of harm that would be done to the legislative process. If we are in any doubt as to whether we should move forward with the amendments, I would have thought that we should err on the side of caution and support those with disabilities. Once again, I urge the Minister to change his mind, and I congratulate my right hon. Friend the Member for Cardiff South and Penarth and my hon. Friend the Member for Liverpool, Wavertree, on their amendments.

5.30 pm

Alun Michael: I am grateful to the Minister, who has been extremely courteous this afternoon. His speech was clearly well intentioned, but it was very old fashioned and traditional. It is the traditional approach from his Department—if we can refer to a fairly new Department as traditional—that the Minister should accept the principle and resist the amendment with every fibre of his body.

I regret that the Minister has taken that approach this afternoon. I am pleased, of course, to hear his endorsement of the principles underlying the amendments, so we can be agreed across the Chamber about the intentions and what we want to happen in the election. I take some comfort from that, but officials always tell the Minister to resist. The job of a Minister is to listen to that advice—yes, of course he should listen to the advice of the officials—but also to listen to the debate.

The Minister said that the amendment would not add to the duties or the clarity for the electoral officials or the Electoral Commission, but I do not accept that. It would make it clear that the House expects such consideration for those who would otherwise potentially be denied the right to vote. As ever, the problem is not the intentions of the Electoral Commission. I have met its members on many occasions and their intentions are good, but the delivery has not been as good. The House has a responsibility to make clear our expectations in respect of access for disabled people. I referred specifically to people with sight difficulties and the importance of helping them.

I cannot see how the amendments tabled by me and by my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) could make the arrangements more complex or more difficult. The amendments are clear, but if there is any difficulty in that regard, and if the Minister wishes to improve the drafting in any way, he can easily do that on Report. I invite him to join us in the Lobby this afternoon, and if there are any such deficiencies, to put them right on Report. I shall be delighted to help and support him in doing that, should it be necessary, but let us make progress today.

I would very much like to pursue amendment 328, but as I do not want to take up too much of the time of the Committee, I shall press amendment 329 to a Division. Although I am disappointed by the Minister's response, I welcome the fact that he has at least endorsed the principles that we advanced in this short debate.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: 168, page 15, line 37, at end insert—

'( ) directions requiring them to take specified steps in preparation for the referendum;'.—*(Mr Harper.)*

Amendment proposed: 329, page 15, line 37, at end insert—

'(aa) directions about the discharge of their functions specifically in relation to voters with disabilities;'.—*(Alun Michael.)*

Question put, That the amendment be made.

The Committee divided: Ayes 235, Noes 328.

Division No. 77] **[5.34 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie

Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Jonathan Reynolds and Mark Tami

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Collins, Damian
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip

Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and Mark Hunter

Question accordingly negatived.

Amendments made: 169, page 15, line 42, at end insert—

'( ) directions requiring them to take specified steps in preparation for the referendum;'.

Amendment 263, page 16, line 6, at end insert—

'( ) The number of ballot papers or votes purportedly certified under this paragraph or section 128 of the 2000 Act is not liable to be questioned by reason of a defect in the title, or a lack of title, of any person purporting to exercise functions in relation to the referendum, if the person was then in actual possession of, or acting in, the office giving the right to exercise the functions.'.—*(Mr Harper.)*

Chris Bryant: I beg to move amendment 136, page 17, line 5, at end insert

'subject to the agreement of the Speaker's Committee on the Electoral Commission.'.

The Temporary Chair (Mr Roger Gale): With this it will be convenient to discuss the following: Government amendment 264.

Amendment 247, page 17, line 5, at end insert—

'7A (1) The Electoral Commission shall not issue any explanatory document to persons entitled to vote in the referendum during the relevant period unless the wording, content and design of such document has been agreed by both organisations designated for the purposes of section 108 of the 2000 Act (designation of organisations to whom assistance is available), where such designations have occurred.

(2) In sub-paragraph (1) the "relevant period" is the relevant period for the referendum as defined in section 125 of the 2000 Act (restriction on publication etc. of promotional period by central government etc.).'.

Chris Bryant: The amendment deals with the simple issue of the role of the Electoral Commission in relation to the referendum next year. While the Bill provides that the commission should take whatever steps it thinks appropriate to promote public awareness of the referendum and how to vote in it, we believe that that should be subject to the agreement of the Speaker's Committee on the Electoral Commission. I realise that hon. Members may think that that is some strange committee with no proper function and is just a bunch of MPs who want to interfere in the process, but in fact it is laid down in the 2000 Act. It has three ex-officio members—the Deputy Prime Minister, the Speaker and the Chairman of the Political and Constitutional Reform Committee. In addition, a Minister is appointed to the committee by the Prime Minister, in this case the Minister for Housing and Local Government, as well as five other Members—the hon. Member for East Surrey (Mr Gyimah), my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman), the hon. Member for Belfast East (Naomi Long), my hon. Friend the Member for Houghton and Sunderland South (Bridget Phillipson) and the hon. Member for South West Devon (Mr Streeter). One might call that an eclectic mix, but it represents a broad swathe of opinion on the issue of the referendum as well as many other electoral matters.

Mr Bernard Jenkin (Harwich and North Essex) (Con): Does the hon. Gentleman know which of those members might vote yes in the referendum and which might uphold the current system?

Chris Bryant: No, I have not got the faintest idea. I just know that two or even three of them are definite noes. I do not know about the others. My point is that this body is used to considering electoral matters without seeking partisan advantage and to trying to promote a level playing field for all in electoral administration.

The committee has two specific roles, only one of which is material here. The first is in relation to the appointment of commissioners, which is why earlier last week we saw the appointment of new commissioners. In addition, it has a role in analysing the five-year financial plans produced by the Electoral Commission. It is the only point at which Parliament has a say in the financial plans of the commission and one of the issues that will have to be borne in mind is how much should be spent on the information that the commission provides to voters about the referendum. The Speaker's Committee on the Electoral Commission is therefore an important body to keep informed. The committee also provides an opportunity for a Minister to be directly involved, albeit only as one of the six Members on the committee.

The Electoral Commission has said that it knows that a considerable amount of information will have to be provided. The hon. Member for Harwich and North Essex (Mr Jenkin) knows that I do not share his views on the alternative vote. None the less, we share the view that the information provided should be fair, and it is important that we lay the details down in statute as far as possible to ensure that that happens. The way in which information is presented can inadvertently—and sometimes advertently—be biased. The commission said in its report on a referendum on the UK parliamentary voting system earlier this year:

"Without background information about the different voting systems, many participants in our research found the proposed question problematic."

We might think that that is because the question is problematic, but the report continues:

"This was because they had almost no understanding of the 'Alternative Vote' (AV) system"—

and before the hon. Gentleman gets too excited—

"and very mixed understanding of 'First Past the Post' (FPTP)."

The last election in which I took part was last Thursday in Treherbert in the Rhondda where we had a council by-election. It was beautifully precise, because we had just two candidates—a Labour candidate and a Plaid Cymru one. It might appear that that would be easy for people to understand—a straight choice between A and B and one cross in the relevant box. However, there were several spoiled ballot papers because normally people get two votes in local elections in that two-member ward. Some people had voted for both candidates, presumably because they thought the by-election was like the normal elections. I am sure that hon. Members are dying to know who won the by-election. Labour seized the seat from Plaid Cymru with a swing of 10%, so Councillor Luke Bouchard is now the youngest councillor in Wales.

The important point is that voters do not fully understand the current system. They certainly do not understand the alternative vote system very well. However, in order for the Electoral Commission to provide information so that people can have a full understanding, we need a system that includes not only the commission but the weathered eye of some elected politicians, through the Speaker's committee, which is unbiased and has no particular axe to grind.

I note that the hon. Gentleman and several others have tabled an amendment that would solve the same problem slightly differently. I suggest that the two are not mutually exclusive, although it might be a case of belt and braces. I am keen to hear what he has to say, if he succeeds in catching your eye, Mr Gale. I hope that the Government will want to involve the Speaker's committee in this process and accept the amendment.

Mr Jenkin: Amendment 247 is in my name and of several colleagues, including the hon. Member for Middlesbrough (Sir Stuart Bell). I do not think that that represents any slight on the amendment tabled by the hon. Member for Rhondda (Chris Bryant); it is just that I asked the hon. Member for Middlesbrough to table it with me.

[Mr Jenkin]

The hon. Member for Rhondda has made the reason behind his amendment clear, and the principal purpose of our amendment is the same. The Electoral Commission has invited us to give it the enormous responsibility of sending out information, during a referendum, about the contentious matter on which voters will be asked to give an opinion. As the hon. Gentleman said, these are difficult issues to understand. Even the current voting system, to be called first past the post in the ballot question, is difficult for some voters to understand. That underlines the no campaign's view that it should have been called the current system. As a more neutral description, that might have been better and more intelligible. These are subjective judgments, but the commission decided not to accept that suggestion. It also declined to accept our suggestion that the new system should be called the optional preferential voting system with instant run-off, which explains in more detail what it actually is. We are therefore left with some difficulty in explaining the systems.

Amendment 247 would provide that unless both the yes and the no campaigns are satisfied that the information being sent out is completely neutral, they should have the right of veto over it. That would be completely fair and equal, and would provide a safety valve, because there would be no possibility of information going out about which one campaign could cry foul.

6 pm

Having said that, however, I am prepared to support amendment 136—the official Opposition amendment on this matter—because it is in the same spirit as ours. It is most unlikely that any information would be sent out unless there was unanimous approval on the Speaker's Committee on the Electoral Commission. If one or other of the campaigns was making strong representations about the unfairness of the information in question, that approval would be extremely unlikely to be forthcoming. Broadly, therefore, I am satisfied with the Opposition amendment, so I direct my remarks to the Treasury Bench. What possible objection could there be to the Opposition amendment? It is a safeguard.

I would like briefly to point out one additional point. Earlier in these proceedings, the credentials of the chair of the Electoral Commission, Jenny Watson, were raised, and it was pointed out that she was, in the past, campaigns officer for Charter 88, which, as we know, has a strident view on the voting system for the House of Commons. I retorted that I had no doubt about her intention to be absolutely fair and unprejudiced, and that we should have complete confidence in the conduct of her office. I am not pleased with how the Electoral Commission handled the date issue, but that was not a matter of her being anything less than impartial; it was the result of a lack of competence and appreciation of the issues involved within that organisation.

We live in a democracy in which things not only have to be fair, but have to be seen to be fair and have to be conducted impartially. Those who have responsibility for sending out to voters information on the contentious issue of this referendum should be held to account, and if there is not proper oversight, we will invite unnecessary controversy and mistrust—however misplaced—of the process. I therefore invite my hon. Friend the Minister, who will be responding to this probably rather short debate, to consider accepting the amendment, or at least to indicate that the Government will introduce a safeguard of their own at a later stage.

I note that the Government have tabled an amendment containing an explicit power giving responsibility to the Electoral Commission to

"take whatever steps they think appropriate to provide, for persons entitled to vote in the referendum, information about each of the two voting systems referred to in the referendum question".

I am bound to say that that is better worded than the current provision in the Bill, which states that the Electoral Commission must

"promote public awareness about the referendum and how to vote in it."

I do not think that the possible misinterpretation of

"how to vote in it"

should not be taken too seriously, because any court will know what it means. However, if we are explicitly to give this responsibility to the Electoral Commission, which I have no doubt it has asked for—given the advice it gave to the Government—we should provide some mechanism for accountability. I urge my hon. Friend the Minister to give that serious consideration, so that we can, I hope, save dividing the Committee and move on to the next group of amendments as quickly as possible.

Mark Durkan (Foyle) (SDLP): I have reservations about amendment 136. I fully understand the spirit in which the hon. Member for Rhondda (Chris Bryant) argued for it, but I have concerns about requiring the agreement of the Speaker's committee on the Electoral Commission. Would the committee have to agree on absolutely every bit of material, therefore having some sort of editorial control, with only their imprimatur and nihil obstat determining what goes? I am not sure that it would not put the committee in a potentially invidious position—indeed, hon. Members have already asked questions about what side of the argument the committee members are on. The safeguard that the amendment is trying to achieve might turn out to be more complicated and hazardous.

I prefer amendment 136 to amendment 247, however, because the latter would basically create not a difficult position for MPs sitting on the Speaker's Committee, but an absolute veto by one campaign on the work of the Electoral Commission and indeed on the seemly and properly informed conduct of the entire referendum. To give each campaign an outright veto would be to give it too tempting an opportunity. Some of us come from territories where we are used to vetoes lying around the place, and they do not usually stay there as unused ornaments; they end up being used deliberately, effectively and destructively.

Mr Jenkin: The effect of my amendment is clear. It states:

"The Electoral Commission shall not issue any explanatory documents to persons entitled to vote in the referendum"

unless agreed by both campaigns. It is very clear. It would not prevent the Electoral Commission from carrying out its other work.

Mark Durkan: We are being told that no explanatory documents will be issued unless they have been approved by both campaigns. It could easily be in the interest of

one campaign—for instance, a campaign saying, "We probably should not even be having the referendum anyway because it is not necessary"—simply to object. In such an event, no explanatory information could be issued, and then the conduct of the referendum would be seriously and fundamentally compromised.

Some of us have experience of seeing how referendums have been conducted in other jurisdictions.

Mr Jenkin: The yes and no campaigns will receive considerable public funds and will have a free mailshot. Each will explain the voting systems in its own way. That is a perfectly fair way of conducting a referendum. After all, at general elections, we do not ask an authority to explain the issues of the day to the British people; we let the British people make up their minds on the basis of what the political parties send out. That is the conventional way of running a referendum.

Mark Durkan: I will give the example of referendums conducted in the south of Ireland. The Referendum Commission has clearly gained some experience in how to manage the dissemination of information and how to deal with the various claims that emerge from different campaigns—and it has had to do that authoritatively and effectively. There are lessons to be learned from the Irish experience about how this referendum can be conducted. I would have a difficulty with putting absolute control over the Electoral Commission's role in the hands of either campaign.

Naomi Long (Belfast East) (Alliance): Does the hon. Gentleman agree that the point of allowing the Electoral Commission to issue information about the systems under consideration in the referendum is to ensure that those who wish to vote in that referendum have access to impartial information about the options available to them, not to partial information from either the yes or the no campaign?

Mark Durkan: The hon. Lady is right. That has certainly been the experience in the south of Ireland, where the Referendum Commission has played precisely that role and had to reprimand some individuals for claims—whether exaggerated arguments or not fully factual explanations—made on behalf of yes and no campaigns. It is appropriate that somebody be charged with providing neutral information, rather than the fairly colourful and possibly extreme suggestions that will come from both the yes and no campaigns. Those who are very committed might tend to be over the top in some of the material they produce. Certainly that has been the case in some referendums in the south, which is why the Referendum Commission there was developed and given this sort of role, and it is why the Electoral Commission will have to play the same role here. However, we have to be careful not to put the Electoral Commission in a difficult position in respect of the approval that it must secure in relation to anything that is issued, although campaigns obviously are—and should be—free to make their case.

Ms Louise Bagshawe (Corby) (Con): The hon. Gentleman makes an excellent point. Does he agree that an ancillary danger of the amendment is endless delay? If one campaign raised objection after objection to wording, would that not muddy the waters and endanger the very date of the referendum?

Mark Durkan: Yes, that is precisely what could happen, and if the controversy and disagreement on the wording all tended to come from one side rather than the other, that could create an insinuation of bias on the part of the Electoral Commission's conduct and intent as well.

I give hon. Members a warning. Perhaps this is not a warning, but bad advice; or rather, perhaps it will turn out to be advice that I am ill-advisedly giving to some Members who would campaign against AV. The experience in some of the referendums in the south is that no campaigns have basically adopted campaigns of misinformation. They have created a lot of confusion and controversy around relatively straightforward issues, and then resorted to the tactic of campaigning on the slogan "If you don't know, vote no".

George Eustice (Camborne and Redruth) (Con): Will the hon. Gentleman give way?

Mark Durkan: No, because I shall sit down soon and the hon. Gentleman can make his own contribution then.

We have already seen an attempt to create confusion, with some of the obfuscation and the diversionary amendments from hon. Members previously. I am particularly worried that amendment 247 could be a recipe for serious mischief and utter grief as far as the conduct of the referendum is concerned. I wait to hear what more the Government will say about their amendment 264, which seems relatively straightforward. However, if the choice is between the two non-Government amendments in the group, I would prefer amendment 136, although I have my reservations.

Mr John Redwood (Wokingham) (Con): If we have a body such as the Electoral Commission which needs to be impartial, it is most important that we should not charge it with deeds that put it in a position where others may think that it is not being impartial. I therefore hope that the Minister will listen carefully to the points made from the Opposition Front Bench and to those made by my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), because there is a danger here.

The process may start with the best of intentions. The Electoral Commission might feel that its draftsmen and women are sufficiently capable of setting out, in short and clear prose, exactly how the two different systems operate. However, it is easy to tiptoe from straightforward explanations of complex systems to value judgments. As we have already heard from my hon. Friend in speaking to his amendment, the language describing the two systems is already charged with prejudice and opinion. Calling the current system "first past the post" may make it attractive to those who like horse racing, but it may also make it anathema to those who do not, because it perhaps invites a comparison with the grand national, about which people have passionate views, both for and against.

"First past the post" is not a particularly elegant way of describing a system in which the person who gets the most votes wins, which is probably how I would describe the current system. People can win an election by having more votes than any other candidate in that election.

[Mr John Redwood]

That is a relatively simple approach, but it is not contained in the name of the system. I find the alternative vote much more difficult to describe. As colleagues will know, I am probably not a great fan of it. It is inherently complicated, because of the reallocation of votes and the fact that people who vote for losing candidates effectively vote twice, while people who vote for winning candidates vote only once. Again, however, that takes us into opinion. I am setting out my opinion, but how does one describe the system in language that does not in some way prejudice that description or imply that the extra choice for some electors is a good thing, and that people should therefore warm towards it?

It will be very difficult for the Electoral Commission to come up with language describing both systems that is thought to be fair, and this is particularly true for the alternative vote. There will be rows over the question, which will drag the Electoral Commission into the proper conduct of the election. That raises the danger of a well-intentioned body being dragged into a political argument that it should be well above, leading to the possibility of one or both sides in the referendum campaign feeling that they have not been fairly treated, because a word, a phrase, a sentence, a paragraph or even a whole document was in some way misleading, or was telling only half the story or using prejudicial language.

6.15 pm

Mr Jenkin: Let me apprise my right hon. Friend of an example of just such a problem. I have seen the Electoral Commission asked whether it is true that a candidate has to get 50% of the vote to win under the alternative vote system. The Electoral Commission immediately replied that this was a subjective judgment and that it would not get dragged into the evaluation of the two systems, but how then could it describe the system? It is either correct that a candidate needs more than 50% of the votes to win or it is not, so what is the Electoral Commission going to say? Will it decline to inform the voters about the very nature of the system in order to avoid controversy? If so, it might as well not put out any information at all.

Mr Redwood: I agree, and the conclusion is just that: the Electoral Commission should not put out information because that might drag it into the debate. The whole purpose of testing a proposition in a referendum or testing candidates in an election is to allow a free exchange of ideas and views. The two campaigns will, of course, be heavily involved, but there will also be lots of other people, institutions, media representatives and newspapers claiming to be doing impartial analysis on the claims of the two sides. Some of them might even do something that gets close to being an impartial analysis of the claims of the two sides, but they will all discover, as we saw in the last general election, that having something that everybody regards as impartial is an impossibility.

The issue behind this debate may be for the political classes only. I do not think that it is the subject of much discussion in the pubs, clubs or schools of Wokingham, for example, but it is of passionate interest to the political classes. A large number of people now earn their living out of politics one way or another, and they will be watching every word and every sign, in every part of the referendum campaign, to see how it is going and whether it is fair.

I do not think that the Minister is about to give ground on the non-Government amendments in this group. I would therefore urge him to say to the Electoral Commission, ex cathedra, from his pulpit, "We love you dearly. We wish you to be impartial. Hesitate, hesitate and hesitate again before you start to make statements about this highly charged territory." While there may be 40 million people out there who are not much moved by this subject, there are another 1 million or 2 million who are very moved by it—whose livelihoods depend on it or who are preoccupied by it—who will be watching every word. It will be extremely difficult to come up with that perfect, impartial prose that even describes the system, let alone avoids the obvious pitfall of wandering into opinion. There is nothing more annoying in the heat of an election campaign than for someone to claim impartiality, but then to say something critical of one's own position, which is what happened in the last general election.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I would like to bring to my right hon. Friend's attention a particular difficulty in Wales that may be relevant. On the day that the referendum is taking place, a Welsh Assembly election is also taking place, the vote for which will use yet another system. I wonder whether he has a view on whether we are confusing people even further, and in particular the Electoral Commission, by suggesting that it needs to explain that the subject of the referendum is a different system from that being used when people cast their votes on the same day.

Mr Redwood: My hon. Friend makes an important point. A powerful point for the no case in the referendum—the case against a change in our electoral system—is just that: that so many electoral systems are already in use, particularly in Wales and Scotland, that it could become quite complicated for people trying to remember which system they are voting under. If people are voting under a system other than the current, general system for the national election, they may wish to vote more tactically. One feature of AV is that a natural Liberal Democrat voter who wanted to make their party greener might think it a good idea to vote Green for their first preference and to give the Liberal Democrats only their second preference. That would be a perfectly rational strategy for that voter to make their party greener, but they would need to know that they were voting under that system to make doing so sensible.

However, I have wandered a little from my main point, which is that in order to preserve that impartiality, it is better to say nothing. The whole point of an election is to tease out the issues, so that electors can make their own decisions. In the last general election, the different parties made claims, and we then had to watch or listen to the BBC come out with so-called experts who said that they could find the truth, either by saying that it was between the two parties, or by concluding that neither party was telling the truth and then coming up with the BBC truth. This is a free society, and that was probably quite helpful in the election—if that is what turned the BBC on and what it wanted to pay people good salaries to do—but I do not

think that many voters think, "Ah! At last I've got the impartial truth! The BBC correspondent has told me that Labour weren't right on this issue and that the Tories weren't right on that issue, so I now know the truth." I think that the elector goes off and forms their own judgment.

George Eustice: I want to pick up on the point about impartiality. Does my right hon. Friend agree that the best way to guarantee the impartiality of the Electoral Commission and the information it puts out is to ensure that it has the agreement of both campaigns, which would prevent it from straying into this area? It was said earlier that the no campaign in a previous referendum was putting out misinformation, but in this referendum the NO2AV campaign has called for the Electoral Commission to issue an explanatory booklet because we want that information out there. Does my right hon. Friend understand that that information will be stronger if it is agreed by both campaigns?

Mr Redwood: I am grateful for that intervention, from which I learned that the no campaign would like one of these booklets. However, I rather prefer the lock on the door that my hon. Friend the Member for Harwich and North Essex is proposing, as I remain to be persuaded that such a booklet can be phrased in a way that everybody would find fair. The fairest thing to do is to put this lock on the door; then we will know that we have had a fair referendum because everybody will have consented to it.

If the Minister will accept amendment 247, that will be wonderful and my hon. Friends will rest content. If, as I suspect, he will not, will he at least say that he will warn the Electoral Commission not to try to write a definitive document, as it would just be torn to pieces?

Mr Harper: There are three amendments in the group, which seek to clarify the role of the Electoral Commission in providing information about the voting systems on which the public will be asked to vote. I ask hon. Members to support Government amendment 264, which clarifies the Electoral Commission's role, making it clear that it can make appropriate information available in line with its stated intention to provide strictly factual or neutral information to voters on how the different systems work in practice.

Hon. Members will know that when the Electoral Commission was doing its research on the question, which we debated last week, one important conclusion highlighted the limited knowledge of voters about different voting systems. My hon. Friend the Member for Harwich and North Essex (Mr Jenkin) raised the same point in his remarks. The report acknowledged that the referendum campaigns and media coverage will increase public understanding. The current public awareness role of the Electoral Commission, seen in paragraph 7 of schedule 1, is to provide information about the mechanics of the referendum—how it takes place and how to vote in it. My hon. Friend had a bit of fun with the language earlier, but I am sure we can agree that what is important is the practicalities rather than whether to vote yes or no. We are not going to table an amendment to mandate the answer, I am afraid to say. The Government are, of course, neutral on the result.

The current paragraph 7 of schedule 1 does not necessarily envisage giving factual information about the two voting systems and it is unclear whether the general awareness role in the Political Parties, Elections and Referendums Act 2000 really enabled what was intended, which was to allow the commission to publish information about a voting system that is the subject of a future referendum. We wanted to make the position clear—hence Government amendment 264, so that the Electoral Commission can indeed make that information available.

Mr Nigel Dodds (Belfast North) (DUP): Does the provision in the Government amendment to

"take whatever steps they think appropriate to provide"

in respect of information and so forth include the sort of activity described by the hon. Member for Foyle (Mark Durkan) as applying in the Irish Republic, including putting out rebuttals against claims made by different sides of the argument? If that were the case, we could certainly see the Electoral Commission being dragged into very dangerous political territory indeed.

Mr Harper: If the right hon. Gentleman would allow me to make further progress in my response to what I thought were the wise words of my right hon. Friend the Member for Wokingham (Mr Redwood), he would understand the terms of the advice that I would put to the Electoral Commission, which I suspect it would work out for itself, too. I suspect that it would not be tempted down that path. If the right hon. Gentleman does not think that I have answered his question, he is welcome to intervene again.

Amendment 136, moved by the hon. Member for Rhondda (Chris Bryant), deals with the Speaker's Committee, but I am not at all convinced that that is the right body to be involved here. The Electoral Commission has already presented its plans for public awareness and costs to the Speaker's Committee, supplying it with information, but given that the Speaker's Committee is made up of politicians, I am not entirely certain that it is the most appropriate body. When it was said earlier that its views about this particular campaign were not clear, it reinforced the point that it might not be the right body to be involved. Given that two members of the Committee are Ministers, it is difficult to see whether they would be acting in their position as Ministers—the Deputy Prime Minister is an ex officio member, although the Government are neutral about the result of the referendum—or as protagonists. The two Ministers involved have their own views, so I fear that this might drag the Speaker's Committee into the debate. Hon. Members have already warned of the dangers of bringing the Electoral Commission directly into the debate, so this provides an example of a similar danger.

Mr Jenkin: My hon. Friend is making a very strong argument for the Electoral Commission not to put out any information at all. If the Speaker's Committee is fit to appoint the Electoral Commission, surely it is a fit body to hold it to account. Otherwise, to whom is the Electoral Commission accountable?

Mr Harper: If my hon. Friend waits until I have developed my remarks further, he might be a little happier.

[Mr Harper]

If we are to allow the Electoral Commission to publish some information—I shall come on to the details later—we must allow it to be flexible, so putting in these extra hurdles is not sensible. The commission already produces lots of guidance—admittedly not perhaps in such charged circumstances—without any sort of approval, and it works fairly well.

Amendment 247 starts from the laudable assumption that we want to ensure that information provided to voters in the referendum—and most certainly if it is provided by the Electoral Commission—is neutral and fair. I fear, however, that it might have an unforeseen consequence by preventing the Electoral Commission from publishing information or giving the yes and no sides a veto in the 28 days before votes are cast. It might encourage the Electoral Commission to publish information earlier than that, which I do not think would be particularly helpful for voters—effectively stopping the publication of information during what voters would perceive as the campaign period. The hon. Member for Foyle (Mark Durkan) made a good point when he said that giving either player on the pitch an effective veto might be a recipe for grief and mischief.

I know that my hon. Friend the Member for Harwich and North Essex has anticipated my next argument and tried to clear it out of the way. When asked about the neutrality of the Electoral Commission last week, he said that he had "the highest respect" for Jenny Watson and that

"because of her previous position, she will want to be seen to be as impartial as possible".—[*Official Report*, 12 October 2010; Vol. 516, c. 204.]

I think that is correct.

I strongly suspect that when the commission considers what factual information it is going to publish in practice, it will come to the same conclusion as the Government. Before Second Reading, the Government published a short factsheet, which we placed in the Library. It was on the first-past-the-post system—for want of a better description—and the alternative vote. Although the two Ministers involved have a difference of opinion on the outcome of the referendum, we were very clear that the Government document needed to be neutral. The amount of information that can be produced on the two voting systems—the current one and the proposed new system—without being drawn into their merits, is very limited. That is why we ended up producing a factual and neutral document, not a very comprehensive one, which we have placed in the Library. I suspect that the Electoral Commission will reach the same conclusion. My right hon. Friend the Member for Wokingham thus made a good point, and, as I say, I believe that the commission will reach the same conclusion.

That is not to say that there is no value in producing the information. Research done earlier into the question that should be asked revealed that a number of members of the public did not understand terms such as "House of Commons" and "Parliament"—even basic information like that. We might consider providing such information unnecessary, but it might be of great use to enable voters to make a decision. A great deal of information that is neutral and factual can help to get voters up to a level that we would take for granted, without trespassing on the merits of the arguments behind the two voting systems.

Mr Jenkin: Can we therefore put my hon. Friend's neutrality to the test? Is it true that under the alternative vote system, no one can get elected without obtaining more than 50% of the votes?

Mr Harper: I will give a brief answer, as Mr Gale will tell me off if I stray too far from the amendments and we will debate this issue again when we get to clause 7. Someone can be elected. One has to have 50% of the votes remaining in the count at that stage. Under our system, which is optional preferential, voters do not have to express a preference. If a significant number do not express a preference for candidates, someone could get elected without having 50% of the votes cast in the first place, but they do have to have 50% of those remaining in the count. That is a very simple, straightforward, factual answer, and I am sure that my hon. Friend will probe me on it further when we debate clause 7 and the mechanics of the system that we plan to introduce.

6.30 pm

Having had this debate, I urge hon. Members to support Government amendment 264 to enable the Electoral Commission to publish that factual information. Such information might not be on the merits of the system, but rather on educating voters about some of the common terms that would be used by the two sides. As I said, its research on the question, which I commend to Members, states that there are some basic concepts concerning Parliament and Members of the House with which some voters are unfamiliar. Some underpinning education would be very helpful, and would not in any way get the commission into a debate on the merits of the two systems. Actually, if the commission deals with that, the yes and no campaigns can deal with the merits of the two systems and their effects, and try to persuade the public to cast their vote for their side.

I urge hon. Members to support the Government amendment, the hon. Member for Rhondda to withdraw his amendment, and hon. Members who spoke to amendment 247 not to press it to a Division. On that last proposal, which is in the name of my hon. Friend the Member for Harwich and North Essex, it does not seem sensible to give the players on the pitch a veto over when the referee can produce neutral information.

On the point made by the hon. Member for Foyle, given what I said on the difficulty of producing factual information without being drawn on the merits, I think it unlikely that the commission will get involved in rebutting information from particular campaigns. That would get it into exactly the problem that he highlighted, and it would be wary of doing so. I shall conclude my remarks there, hoping that the hon. Member for Rhondda withdraws his amendment.

Chris Bryant: This has been an interesting discussion. In a sense, at the back of this debate lies the fact that the vast majority of voters do not spend all their time worrying about voting systems. For that matter, they do not spend much of their time worrying about party politics or politics in any shape or form. In July, I

knocked on a door to ask someone to vote Labour in an election. He said, "I am never, ever going to vote Labour again in my life because you just increased VAT." When I said, "But we haven't," he replied, "You're the Government aren't you?" I said, "No, we're not," and he said, "Well, you were earlier this year." I suppose that is a version of the argument that Conservatives and Liberal Democrats use all the time.

There is a serious point. Sometimes, when it comes to explaining voting systems, it is not so much that voters are not bright enough to understand, but simply that their eyes glaze over, because they think, "Why on earth are you bothering to talk to me about this?"—[HON. MEMBERS: "Hear hear!"] Listen: I am one of those who wants to reform the system. As we lead up to the referendum, it will be difficult to provide the kind of information that most voters would admit they ought to have in their heads before they vote.

That could quite simply be because voters are not always interested, but the right hon. Member for Wokingham (Mr Redwood) was absolutely right in saying that it is very difficult to arrive at a truly impartial presentation of the facts. From a theological point of view, that is true of nearly everything. We always underestimate how much our subjective opinions influence how we interpret and present the facts, and even what we choose to call a fact as opposed to something else. Certainly, that is true of the BBC. If the referendum were on the European Union or the Lisbon treaty, there would be even more excitement, and equal levels of misunderstanding and distrust of the system. The other aspect is that many voters simply do not believe anything that any politician says, so why on earth would they believe what is presented in the referendum?

There are specific matters on which there is enormous potential for quarrel in the material that the Electoral Commission will present. Let us say that the commission wanted to describe in its literature the advantages of a first-past-the-post system—the right hon. Member for Wokingham said that it could be presented as the person who gets the most votes wins. I would guess that every single one of those advantages would be disputed by someone on the other side of the argument. How on earth can the commission possibly arrive at a set of advantages or disadvantages of either system in the information? Similarly, some would argue that the alternative vote could lead to more hung Parliaments. That is highly contentious, but I am sure that the hon. Member for Harwich and North Essex (Mr Jenkin) would argue that that is a proven fact. I urge caution regarding the quantity of information that the commission will provide.

Interestingly enough—it may not be interesting to hon. Members, but it is to me—I had lunch today with some Chilean Senators and Members of Parliament who have accompanied President Pinera on his visit. They wanted to know exactly what alternative vote system was being proposed. They are experienced politicians and have just changed their electoral system, so I thought that they would know what the alternative vote system was. In their heads, they were working on the assumption that there would be a second round of voting rather than an instant run-off, to use the phrase of the hon. Member for Harwich and North Essex, because if nobody gets 50% in the first round of Chilean presidential elections, there is a second round.

Notwithstanding that, the Electoral Commission has made it clear that there is a need for information. Some of its findings from earlier this year are enlightening. Its report states:

> "The vast majority had no knowledge of AV and did not know how to vote under the system or how candidates would win a seat...A few people who were more interested and engaged had found out about AV when they heard about the referendum. Some people, particularly in Scotland and Northern Ireland, said they 'had heard of' the system but did not know how it worked. They assumed it to be the same as the proportional representation systems used in elections there."

Of course, that makes the point that it is difficult to use a phrase such as, "The system used in parliamentary elections now," because the system for Scottish parliamentary elections is not the same. We cannot simply refer to "the present system" because the system is different in Wales. For that matter, some have referred to the system for electing the London Mayor, but that is different again, because voters have only a second preference vote rather than a fully alternative vote.

There is also a problem in relation to the presentation of materials. Notwithstanding the remarks of my hon. Friend the Member for Foyle (Mark Durkan), the weathered eye—or perhaps the battered eye—of politicians can sometimes be useful. We are used to decrying politicians and saying how terrible they are. Everybody wants there to be no more politicians ever again, but we do add value in some regards.

Mr Harper: Just in case the hon. Gentleman is unaware, four former politicians were appointed to the Electoral Commission on 1 October specifically to improve the commission's understanding of the conduct of politics. They are very experienced figures and represent major and minor parties, and I would have thought them perfectly capable of steering the commission out of any choppy waters into which it were so minded to sail.

Chris Bryant: I am aware that those people were appointed because I was in the Chamber when the Whip with the billiard cue came in and announced it. However, they are not all elected. Some are experienced in running elections—certainly Lord Kennedy of Southwark is—and some have stood for office, but none the less, the weathered eye of a sitting, elected politician would be quite useful.

For instance, let us say that the commission decides to use Labour red for everything relating to a yes vote and Conservative blue for everything relating to a no vote. That would be problematic. A politician would spot it instantly, but many professionals who run elections would not, because they are attuned to different things. I say to my hon. Friend the Member for Foyle that there is a specific role for the Speaker's Committee—I can see one member of that committee in the Chamber.

Perhaps the hon. Member for Corby (Ms Bagshawe) is used to editors editing her copy, or perhaps it goes straight through and clean into her books, but I do not think that members of the Speaker's Committee on the Electoral Commission will want to interfere unnecessarily. They might just bring another valuable perspective to any material that is produced. There is no reason why that should lead to interminable delay, and I think it would be good if members and ex officio members of the committee were to bring their experience to deliberations.

[Chris Bryant]

The Minister pointed out that two committee members are also members of the Government, and he is right: there is the Minister for Housing and Local Government who is a Conservative, and there is the Deputy Prime Minister who, at least for the moment, is a Liberal Democrat. Of course, in their personal capacities the two of them will reach different conclusions coming from different sides of the argument, but in their ministerial capacities, they will agree on neutrality. Therefore, in making his observation the Minister adds to my argument, rather than takes away from it.

Finally, I have a bone to pick with the right hon. Member for Wokingham. He referred to the Minister speaking from his ex cathedra pulpit, and I just point out that one is either speaking ex cathedra or from a pulpit. The cathedra is the throne on which the bishop or Pope sits; it is certainly not a pulpit.

I will press my amendment to a Division, although I very much hope that the Minister will agree to it, notwithstanding his earlier complaints.

Question put, That the amendment be made.

The Committee proceeded to a Division.

The Temporary Chair (Mr Roger Gale): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The Committee having divided: Ayes 233, Noes 328.

Division No. 78] **[6.41 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Field, Mr Mark
Fiello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Haverd, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth

Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Angela Smith and Phil Wilson

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Durkan, Mark
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Llwyd, Mr Elfyn
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
MacNeil, Mr Angus Brendan
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok

Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wishart, Pete
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Mark Hunter

Question accordingly negatived.

Amendments made: 264, page 17, line 5, at end insert—

'( ) The Electoral Commission may take whatever steps they think appropriate to provide, for persons entitled to vote in the referendum, information about each of the two voting systems referred to in the referendum question.'.

Amendment 265, page 20, line 38, at beginning insert 'Subject to sub-paragraphs (1B) and (2),'.

Amendment 266, page 20, line 47, at end insert—

'(1A) Sub-paragraph (1B) applies to a service rendered by—

(a) the counting officer for a voting area in England, Wales or Scotland, or

(b) a Regional Counting Officer,

which in the opinion of the Electoral Commission was inadequately performed.

(1B) In respect of a service to which this sub-paragraph applies, the officer is entitled under sub-paragraph (1) to no more than the amount (which may be nil) that seems reasonable in all the circumstances—

(a) to the Commission, or

(b) on a taxation under paragraph 19, to the county court or Auditor.'.—*(Mr Harper.)*

Schedule 1, as amended, agreed to.

Clause 2

Entitlement to vote in the referendum

Mr Graham Brady (Altrincham and Sale West) (Con): I beg to move amendment 59, page 2, line 9, after 'constituency', insert

'with the exception of citizens of Commonwealth countries or, subject to sub-paragraph (c) below, of the Republic of Ireland.'.

The Temporary Chair (Mr Roger Gale): With this it will be convenient to discuss the following:

Amendment 332, page 2, line 19, at end insert ', and

(c) the person who, on that date, are aged 16 0r 17 and would, but for their age, be eligible for registration as electors at a parliamentary election in any constituency.'.

Amendment 60, page 2, line 19, at end insert—

'; and

(c) citizens of the Republic of Ireland who are ordinarily resident in Northern Ireland and who have chosen Irish citizenship under the terms of the Good Friday Agreement.'.

Amendment 61, page 2, line 19, at end insert—

'; and

(d) British citizens living outside the United Kingdom and not currently entitled to vote as electors at a parliamentary election in any constituency.

(1A) The Minister shall, within one month of the day on which this Act is passed, by Order provide for a system of prior registration of those entitled to vote in the referendum under subsection (1)(d) above, and for mechanisms by which their votes can be cast.'.

Amendment 156, page 2, line 19, at end insert '; and

(c) British subjects of Overseas Territories and Crown Dependencies who have individually expressed a wish to participate in United Kingdom Parliamentary elections.'.

Amendment 157, page 2, line 19, at end insert—

'(1A) The Minister must, within one month of the day on which this Act is passed, by Order made by statutory instrument provide for a system of prior registration of those entitled to vote in the referendum under subsection (1)(d) above, and for mechanisms by which their votes can be cast.'.

Clause 2 stand part.

Mr Brady: It is a pleasure to rise to speak briefly to amendments 59, 60 and 61, which stand in my name and those of my hon. Friends. We frequently make the mistake in this House of legislating in haste and repenting at leisure, but that is an even greater danger when we are engaged in legislation that can change the whole constitution of our country and that is what these amendments seek to address. I fear that in the Bill as it stands, we risk putting the cart before the horse, and I want to reorder those in the appropriate way.

In a nutshell, the import of my amendments would be that, first, only British citizens should be able to vote in the referendum and, secondly, that British citizens should be able to vote wherever they may be in the world. That would necessitate a number of changes, because my hon. Friend the Minister is proposing simply to take the franchise that we currently use for general elections and bolt it on to the referendum legislation.

7 pm

We should also be asking whether we should revisit the whole basis of the franchise that we use in general elections, which is the result of layer upon layer of historical accident. There has never been any real thought or logic applied to it; it is simply a gradual accretion of different rules that affect the franchise. This is of vital importance when it comes to general elections. There

are now tens of thousands of non-British citizens who are able to vote in general elections in this country by virtue of being citizens of Commonwealth countries or the Irish Republic. In some individual cities and towns, the electoral roll contain tens of thousands such people, and the total across the whole country must amount to several hundred thousand. That is certainly sufficient to swing the outcome of a general election and, without doubt, to do the same in a referendum that is likely to have a very low turnout, owing to the small part of the public who are engaged with the issue and likely to participate when we vote on it next year. The outcome of that referendum could be determined by people who are not citizens of the United Kingdom.

I know that the Conservative party is sympathetic to the point raised in my amendment 61, and I hope the coalition Government will be as well. While we allow a number of people who are not British citizens to participate in elections in this country, we also prohibit a large number of expatriate British citizens from participating in our democracy because they have been living overseas for more than 15 years. I hope that the Government will in due course address this question in relation to general elections, but the issue is all the more important when we are discussing a referendum that will change the very constitution of our country. One could argue that people who choose to live outside the United Kingdom have less interest in, and a less direct concern with, what we might loosely describe as the management of the government of the country for the immediate future, but many of those expatriate citizens intend to return to the United Kingdom when their work commitments come to an end. They intend to return to their country of origin, the country that they continue to regard as their home. They still want to participate fully as citizens of this country. To change the rules on which our democracy is based without consulting them about their own country and democracy would be wrong.

Mr Andrew Turner (Isle of Wight) (Con): Will my hon. Friend explain what rules would apply to a British citizen—a British subject, indeed—in, say, Gibraltar or the Falklands?

Mr Brady: Perhaps my hon. Friend can enlighten me on that. My assumption is that it is possible for such people to vote, albeit with some difficulty, as long as they have not been out of the country for the period of years that would lead to a prohibition.

The mishmash of rules relating to the franchise deserves a moment's attention. Before we address the question of how we vote, it would surely make sense to look at the related issue of who should vote in this country. Broadly speaking, there are three categories of participant in British elections other than that of a full British citizen resident in the United Kingdom. First, there are Irish citizens, who have the same rights to vote here as British citizens, except that those who are living overseas may not vote even if they are on the electoral register here. Also, in contrast to Commonwealth citizens, Irish citizens are not subject to a qualifying period before they can be included on the electoral roll here. Secondly, Commonwealth citizens have a right to vote in Westminster, European, local and devolved elections when they qualify to do so. For this purpose, they qualify if they do not require leave to enter or remain in the country, or if they have been granted such leave. This right extends to Gibraltar on the same basis. Thirdly, the citizens of European Union member states who are resident here through having exercised their right of freedom of movement around the EU have the right to vote in European, local and devolved elections, although not in general elections. There is therefore a rather complex combination of different participants, and of levels of participation, in the franchise.

Henry Smith (Crawley) (Con): Is it not remarkable that this country is almost unique in the world in allowing such a large number of citizens of other countries to vote? For example, in the United States, only US citizens are allowed to take part in elections, and that applies to all elections, as well as referendums.

Mr Brady: My hon. Friend is absolutely right. If I am not mistaken, his wife is American. In the United States, it is a given that citizenship and the right to vote go together. At the very least, we should expect that when we choose to extend the right to vote to non-British citizens—

Chris Bryant *rose*—

Mr Brady: I would not want to keep the Opposition spokesman waiting, as he appears to be pregnant with a very important point.

Chris Bryant: The hon. Gentleman has started a theme running in my mind now. Please will he tell off the hon. Member for Crawley (Henry Smith)? It is impossible to be "almost unique". It is a bit like pregnancy; something either is or is not unique. In regard to one of the amendments tabled by the hon. Member for Altrincham and Sale West (Mr Brady), the truth is that we have reciprocal arrangements with the Republic of Ireland.

Mr Brady: Yes, we have reciprocal arrangements, although they are often not entirely symmetrical. For example, I believe that there is a qualifying period of residence for a British citizen in the Republic of Ireland before the reciprocal arrangement comes into effect. As a Brady, I hold no malice whatever towards those of Irish extraction, but, as the hon. Gentleman knows well, we allow an entirely different situation to exist in relation to citizens of Commonwealth countries. We have reciprocal arrangements with some of the smaller countries—typically the Caribbean countries, some of which have provided a significant number of residents in this country. However, the bigger Commonwealth countries such as India, Pakistan, Australia, Canada and New Zealand offer no reciprocal rights to British citizens living in those countries, even though we allow their citizens to vote when they are here.

Mr Mark Field (Cities of London and Westminster) (Con): Does my hon. Friend accept that there is also a distinction to be drawn between voting in general elections, where the rights of residents are important, and voting in a referendum involving constitutional issues that relate less to a right of residence and more to the issues that will affect our children and grandchildren and future generations? In such cases, the country of which a person is a citizen is of more central importance than where they happen to live.

Mr Brady: I am grateful to my hon. Friend, who has made the point brilliantly. The requirement that one should be a member of this country—that we should extend voting rights only to those who are fully part of our country—would surely seem entirely normal and entirely rational in almost any country of the world. However, as my hon. Friend says, it seems even more so when we are considering the nature of our democracy and the rules on which we base our constitution for the future.

As I make these brief remarks, I stand here in a spirit of enormous optimism—which is my usual state—because I happen to know that the Opposition support my position. At the very least, they supported the position that my amendments encapsulate as recently as 2008, when, in the document "Citizenship: Our Common Bond", Lord Goldsmith said:

"Voting in all elections, along with holding a passport, is the ultimate badge of citizenship."

He went on to say that

"I do propose that government gives consideration to making a clear connection between citizenship and the right to vote by limiting in principle the right to vote in Westminster elections to UK citizens. This would recognise that the right to vote is one of the hallmarks of the political status of citizens: it is not a means of expressing closeness between countries."

That deals with the concerns that many of us might feel. We have a real strength of affection and affinity for the Commonwealth and we would not wish by any means to offend Commonwealth partners or their citizens. Citizenship carries some rights, but they are entirely different from those that come from that closeness, friendship and relationship between countries, just as Lord Goldsmith said.

Chris Bryant *rose*—

Mr Brady: I hope that the shadow Minister will now endorse the views of his predecessor in the previous Labour Government's views on this subject.

Chris Bryant: Yes, I am pregnant again with this issue. The hon. Gentleman should not confuse the views of a former Minister with the views of the Labour party. It sometimes seems that former Ministers hold all sorts of fascinating views that they did not hold when they were in office—*[Interruption.]* I include myself in this. One day the Minister of State, Foreign and Commonwealth Office, the hon. Member for Taunton Deane (Mr Browne), will be a former Minister and he might then have some views. The hon. Member for Altrincham and Sale West (Mr Brady) should not confuse the views—that was not the Labour party's view at all.

Mr Brady: I have always found the hon. Gentleman to be commendably consistent. I hoped that that would be evidenced this evening, should he be called upon to enter the Division Lobby on these matters. My optimism is not bounded even by the shadow Minister's words of caution, because my hon. Friend the Minister also appears to endorse the sentiments that I have expressed.

Mr Charles Walker (Broxbourne) (Con): He is a good man, although he is a bit wayward on occasions.

Mr Brady: As my hon. Friend says, the Minister is a good man. He said as recently as 6 September, in the winding-up speeches on Second Reading:

"It is perfectly normal in most countries that in order for someone to be able to vote for the national Parliament they have to be a citizen of the country concerned. That is a perfectly normal process and we are not changing it in this Bill. It is the existing system and I feel sure that Mrs Clegg will cope with it perfectly well."—[*Official Report*, 6 September 2010; Vol. 515, c. 128.]

I am sure that Mrs Clegg will cope with it perfectly well, whatever we do this evening. However, crucially, although my hon. Friend the Minister appears to share my view that it should be perfectly normal for the right to vote in general elections to be reserved for citizens, as it is in most countries around the world—in almost every country around the world—it is not yet perfectly normal in this country. The purpose of these amendments is to begin to lay the ground for that important change in the franchise.

Mr MacNeil: I am reading the hon. Gentleman's amendments with interest. I note that Republic of Ireland citizens would, as I understand it, lose the right to vote in the referendum if his amendments were to go through. However, those who live in Northern Ireland but have Republic of Ireland citizenship, so long as they were ordinarily resident in Northern Ireland, would be allowed to vote. My question is about those from Northern Ireland who might have Republic of Ireland citizenship—not UK subjects—but who subsequently move to Scotland. Would they vote or would they not, and how would we enable that to happen or not to happen?

7.15 pm

Mr Brady: I think I am grateful to the hon. Gentleman for that intervention. I think that for the purposes of this Bill it would be perfectly simple. We are talking about a referendum vote that will take place on a single occasion, so any change we make in the franchise for the referendum would clearly depend on their status at that time.

Mr MacNeil: A particular instance might be the case of an individual who has never lived in the Irish Republic but who has chosen Irish citizenship and has then moved to Scotland.

Mr Brady: I hope that the hon. Gentleman will recognise that I tabled amendment 60 in a spirit of compromise with the intention of avoiding re-opening difficult debates that had taken place at the time of the Good Friday agreement. It is of course an inconsistency set against amendment 59, but that is its sole purpose.

Chris Bryant: I am grateful to the hon. Gentleman, who is being very generous, for giving way. May I clarify something? I realise that the amendments relate only to the referendum, but does he think that the perfect normality to which he has referred should apply to general elections? In other words, does he think that Commonwealth citizens should no longer be allowed to vote in British general elections, too?

Mr Brady: Absolutely. Like Lord Goldsmith in the document that I have quoted, I think we should move towards a position in which we treat the right to vote in

a general election in this country as one of the rights and privileges that go hand in hand with full citizenship. I would like to see that happen. Clearly, it goes beyond the scope of this Bill—it is a debate that is yet to happen—but I hope it is a debate that we will have, because I think that most people in this country would be quite surprised even to hear what the franchise is for a general election. I certainly think that the hon. Gentleman and most other Members of this House would be hard pressed to advance a compelling case for the strange mishmash of franchise that I have set out this evening. We should simplify it and we should set out that important principle. I hope that the Opposition will continue with the rational position that was adopted on this subject in the previous Parliament.

Mr Dodds: Will the hon. Gentleman give way?

Mr Brady: I think I should give way to Northern Ireland.

Mr Dodds: I thank the hon. Gentleman for giving way to Northern Ireland, but I do not claim entirely to represent Northern Ireland on this issue. I want to clarify the intention and consequences of amendment 60, if it were passed. I agree with the thrust of the hon. Gentleman's remarks and where he is going with this, both as regards the referendum and elections in general. However, would the effect of amendment 60 be to include people who have chosen Irish citizenship in Northern Ireland post-1998 and exclude people who became Irish citizens before the Belfast agreement in 1998?

Mr Brady: I think the amendment as it stands would do that. I am entirely open to the right hon. Gentleman's point and I know that my hon. Friend the Minister, in working hard to accommodate these reasonable concerns, could take steps to deal with that point, too, if he wanted to at a later stage of the Bill. The crucial point—the point of principle—is that it is even more important in a referendum on our constitution than in the franchise for a general election that we should have a rational franchise that we can all defend and explain to citizens of this country and that we should celebrate the importance of the right to vote. We should understand that the right to vote in a British election is a privilege that has been hard fought for over generations and that is fundamental to what it is to be a British citizen. It is time that we limited that right to those who are British citizens.

Natascha Engel (North East Derbyshire) (Lab): I rise to speak to amendment 332, which is in my name. The amendment would have the effect of lowering the voting age for the referendum to make sure that all people who are aged 16 on the day of the referendum can have their say on something that will affect them when they are 18 and eligible to vote in the general election. All those who are aged 16 on the day of the referendum, whenever it is, will be 18 or over by the time we get to the general election, if it is in May 2015, so the provisions will absolutely affect them.

I have a slight interest to declare. I speak as a former trustee of the UK Youth Parliament—

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): And as a former 16-year-old.

Natascha Engel: I was coming to that; that was my joke. *[Interruption.]* All right, I will say it again in a moment. I am a former trustee of the UK Youth Parliament, honorary president of the British Youth Council, a former chair of the all-party group on youth affairs and—are hon. Members ready?—I speak as a former 16-year-old. *[Laughter.]* I thank hon. Members for laughing at that. I could not vote when I was 16, and although it was almost 30 years ago I remember how deeply frustrating it was not to be able to take part in something as important as voting was to me then.

Mr Mark Field: Surely the logic of the hon. Lady's position is to say that everyone who was born before 6 May 1997 should be entitled to vote in the referendum, if that is to be relevant on the day of the now-fixed election in May 2015. Why does she not have that date in mind? Is it the absurdity of people being entitled to vote in the referendum at age 14 years and eight months that dissuades her from going down that route?

Natascha Engel: I think that falls outside the scope of the amendment. It is important to establish that we are arguing that the voting age should not be raised. Referendums are very rare in this country and this referendum is specifically about voting reform and changing the system under which we vote in parliamentary elections, which are open to participation by anyone who is 18 or over on the day of the election in question. My argument is that we should not raise that voting age above the age of 18. Someone whose 18th birthday happens to fall a day after the election might be knocking on 23 before they get a vote, especially if we set in stone the five-year voting period. The almost unique opportunity presented by the referendum will affect people who will be 16 and over on the day of the referendum and it is very important for them to be able to participate in the referendum because it will affect the voting system in which they will be asked to vote on the day of the general election in 2015. We should therefore allow them to participate, as we have already told them that they will be allowed to participate in the election at the age of 18. This is an almost unique opportunity to lower the voting age to 16.

Mr Mark Williams (Ceredigion) (LD): The Liberal Democrats share the hon. Lady's passion for reducing the voting age, but does not her amendment risk looking dangerously isolated against the mission that she wants and we want: a much broader package of votes for everyone at 16? It looks very isolated and perhaps this is not the Bill in which to pursue this issue.

Natascha Engel: I would love the opportunity to table an amendment for, and to debate something much broader on, lowering the voting age to 16. This amendment gives us an opportunity to demonstrate that when 16-year-olds take part in an election, democracy does not crumble and the sky does not cave in; indeed, it might strengthen democracy. This is a good opportunity to demonstrate to the doubters that giving young people the vote at 16 is a good thing to do.

Mr MacNeil: Does the hon. Lady agree that if we can send 16-year-olds into our armed services and demand that they pay tax, they should be allowed to vote at 16? The Scottish National party and, I recall, the Liberal Democrats have been very strong advocates of having the franchise at 16; we are still of that mind and I hope that in the Lobby the Liberal Democrats will be, too. Is she optimistic about that?

Natascha Engel: I have it on good authority that I should be very pessimistic about the Liberal Democrats joining us in the Aye Lobby tonight, but they would be very welcome to do so.

Stephen Williams (Bristol West) (LD): I think that the hon. Lady was one of the sponsors of my Bill in the previous Parliament to reduce the voting age to 16, which was defeated by just eight votes. I suspect that there is now a majority in the House to achieve that historic change, but we cannot do that in this Bill. A much wider debate is needed to tease out all the issues. Does she agree that another private Member's Bill is the way forward?

Natascha Engel: Oh no! I am a great fan of private Members' Bills, and I do not want to do them down, but this Bill, rather than just a private Member's Bill, is a really good opportunity to change the law.

Kerry McCarthy (Bristol East) (Lab): It is obvious that there is a certain degree of wriggling on the Liberal Democrat Benches as they try to find a reason not to support votes at 16 in this context, despite having been very strong advocates of it in another context. I urge my hon. Friend to push the amendment to a Division, because we have not had a vote on this matter since the new Parliament was convened and it is important to test the opinion of the House.

Natascha Engel: I shall indeed, and I thank my hon. Friend for urging me to push the amendment to a vote. I shall seek to catch your eye later, Mr Gale, to divide the Committee.

Mr Charles Walker: The hon. Lady will know that the Liberal Democrat Benches are full of independent-minded people and I am sure that some of them will demonstrate an independence of mind and support her in the Division Lobby.

Natascha Engel: I hope so too, and I hope to see the hon. Gentleman there as well. I would be delighted if as many people as possible joined us in the Aye Lobby—I am just getting used to being on the wrong side.

The United Nations convention on the rights of the child, to which the UK is a signatory, is very straightforward: it grants every child and young person the right to express their views "freely" and to have those views "given due weight" in "all matters affecting" them. That goes to the crux of the matter. Our 16-year-olds will be excluded by what we do here tonight unless the amendment is accepted. Their voices will not be given due weight regarding something that will fundamentally affect their democratic rights two years after the referendum. Anybody who is aged 16 on the day of the referendum will be 18 at the general election and eligible to vote. We need to be careful about contravening people's human rights.

7.30 pm

Mr MacNeil: The hon. Member for Broxbourne (Mr Walker) may have been taunting the Liberal Democrats to stick to their principles, but I am again stunned by their spinning, wriggling and movement. Is there anything left? No single transferable vote, no votes for 16-year-olds—what is left for the Lib Dems? May I offer them a cerebral argument? Sixteen-year-olds will be disproportionately affected by virtue of their age—

The Temporary Chair (Mr Roger Gale): Order. I should like to curtail interventions to intervention length.

Natascha Engel: But they are so worth it!

Mr Harper: If the Government get their way, the referendum will take place on 5 May 2011, so based on the logic of her case surely the hon. Lady should be arguing that people who are 14 next year, who will be entitled to vote at the general election on 7 May 2015, should also be enfranchised. That is the logical conclusion of her argument, so why is that not the amendment she has tabled?

Natascha Engel: I tabled the amendment because the campaign to lower the voting age to 16 is well established. The argument we are making is that 16-year-olds are perfectly able to take responsibility and to have a well thought-out and well argued opinion. We need to focus on that. Personally, I would have no problem with allowing 14-year-olds to have a say, but that is not what we are arguing for today, although I know plenty of 14-year-olds who are very capable of making responsible decisions. The reason we have a limit at 16 is the same as the reason for having a limit at 18—it is arbitrary. I argue that we need to lower the age, because people can take responsibility. As has been said, 16-year-olds are allowed to go to war, and with the consent of their parents they are allowed to get married. They can do any number of things. Although the limit may be arbitrary, the campaign is well established and we need to draw the line somewhere. At present, it is being drawn at 18, but I would like it to be 16.

Mark Durkan: Perhaps I can help my hon. Friend. Currently, registration details are taken from people who are 16 and 17. They are not eligible to vote, but they are eligible to register, subject of course to having achieved that age. The registration details of many people aged 16 and 17 are already available.

Natascha Engel: That is absolutely spot-on. I thank my hon. Friend for that intervention.

Mr Harper: I shall limit myself to this point, or we shall be in danger of not moving on, but I want to nail it because it is driving me round the bend. The hon. Lady correctly said that 16-year-olds could not join the armed forces without their parents' permission, but she also knows that we do not deploy to conflict people aged under 18. If she makes such arguments, she should at least make sure that they are factually accurate.

Natascha Engel: I should have been more particular about that point, and I apologise. My argument was that 16-year-olds are allowed to do any number of things—

Mr MacNeil: Such as paying tax.

Natascha Engel: Indeed. At 16, people are allowed to do many things over which they have no say. The argument I am trying to make is that, as we are proposing a fundamental change in the voting system for a parliamentary election, at the referendum—and referendums are rare—that will happen only a few years before the general election at which we propose to change the voting system, it is only right that the people who will be affected by it should have a say in whether they want that system changed.

Graham Jones (Hyndburn) (Lab): Does my hon. Friend agree that as well as the principled reasons why the age for taxation and for voter registration is 16, there are also some practical reasons? Sixteen is not just an arbitrary number; it is quite sensible and there is a fundamental principle behind it.

Natascha Engel: I thank my hon. Friend for that intervention.

Sammy Wilson (East Antrim) (DUP): The hon. Lady has been generous in giving way.

Mark Durkan: She will regret this.

Sammy Wilson: She probably will, because I am a bit confused about the argument for the amendment. It started off as an argument that, as people would be using the system to vote at the next election, they should have some say about it. As has been pointed out, that ought to mean reducing the age to 14, because 14-year-olds will be using the system. Then the argument changed and we heard that we had to choose an arbitrary age, and it was 16. What is the central point that the hon. Lady is making? Is it that people should have a say about the system that will be used when they first have a vote at a general election? If that is the case, why is the age not 14? Why not choose any number at all and put it in the amendment?

Natascha Engel: I shall stop taking interventions now.

The argument, which I shall now try to make without taking too many interventions, is that a limit at 18, 16, 14 or 12 is quite random. Individuals mature at different times—I shall not make personal assumptions—so when we draw the line under any voting age, there will be some people who are more mature and others who are less mature, but there are lots of reasons why 16, and not 18, is a good age at which to draw the line. Although I should love to see votes at 16 for every election—parliamentary, local government and referendums—the Bill offers us our only real opportunity to lower the voting age in a referendum, because referendums come up very rarely. The change could be quite easily made; as my hon. Friend the Member for Foyle (Mark Durkan) has pointed out, 16-year-olds are already on the electoral register, so the process will not be difficult for local authorities. Sixteen is a good age at which to draw the line, because it has to be drawn somewhere. All those 16-year-olds will be 18 by the time of the general election, at which point the new voting system will be in place—or not. All I am arguing is that those people need to have a say.

Mark Tami (Alyn and Deeside) (Lab): My hon. Friend is right to say that the proposal offers a good way to test the water for 16-year-olds. If Members on the Government Benches are right and no 16-year-olds are interested and none of them takes part, we can learn from that, perhaps by engaging further with them. The proposal offers a good test-bed for us to engage with younger people, which everyone in the House supports.

Natascha Engel: My hon. Friend makes a very good point. Since 2002, and the glorious days of the Labour Government, all secondary schools have given citizenship education. All young people who will be 16 by the time of the referendum will have had some citizenship education, and they will have some knowledge and understanding of participation in the voting process. We talk about engagement, but if we are really serious about engaging young people in democracy we need to allow them to participate.

Toby Perkins (Chesterfield) (Lab): To expand on that point, a lot of young people's first contact with politics on a serious level comes when they start their A-levels and do politics A-level. There is a huge amount of interest among the A-level politics groups in my constituency. When an election comes, and they are not allowed to vote, it does seem that we are excluding a group of people who have become engaged with the subject for the first time. For reasons that have been pointed out by my hon. Friend the Member for North East Derbyshire (Natascha Engel) and the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), the age of 16 is established as the point at which many of us move into adulthood in a whole raft of ways. A 16-year-old can get married, have sex legally, start paying tax and join the armed forces.

Natascha Engel: I thank my hon. Friend and neighbour for that intervention; he is absolutely right. By a happy coincidence of timing, on Friday week—on 29 October—the UK Youth Parliament will, for the second time, have its annual sitting on these Benches. Last year, when the UK Youth Parliament so controversially sat on these Benches, it debated four subjects and had a vote at the end to decide which subject was the most important to it. The subject that came out on top by a long way was lowering the voting age to 16. Those are 11 to 18-year-olds who are democratically elected through their youth services, and who have a lot to say on the issue. A lot of us who were here and who heard them speak were very impressed, but the issue has not gone anywhere.

The Youth Parliament is about to return, and it would speak volumes if we said to them, "We heard what you said last time round. We know that this matters to you, and we have today voted to ensure that 16-year-olds can take part in this unique referendum. We will give people the vote at 16, at least partially, on this one-off occasion." The 16-year-olds can then demonstrate themselves that the move strengthens democracy, rather than undermines it.

[Natascha Engel]

To end on a positive note, I really hope that we all vote for the amendment, especially those parties which had votes at 16 written into their manifesto and campaigned on the issue at the general election. I hope that those people, at least, will find their way into the Aye Lobby. I hope that they understand how important the issue is to those who are 16 on the day of the referendum, and who really care about the issue and about having their voices heard on that day, so that when they take part in the general election at the age of 18, they will have voted for the system in which they are taking part.

Ms Primarolo, I hope that you understand how important the issue is. We are in a new Parliament, and we have lots of Members who are much closer to the age of 16 than Members were in the previous Parliament. It would be great to test the mood of the Committee, just to see where people stand on the issue, because it really matters. This is the last act of discrimination that we really need to get rid of. We need to widen the franchise, and this is a fantastic opportunity to do so.

Mr Shepherd: This is an important group of amendments, and I am grateful to my hon. Friend the Member for Altrincham and Sale West (Mr Brady) and those who signed up to them. It seems extraordinary to most people when one says, "But you don't have to be a British citizen to vote in a national election in Britain." It is, by and large, a remarkable thing. It may be a post-imperial legacy, or there may be other reasons, but that is what this issue is about.

We are holding this debate on the Floor of the House of Commons because it is a constitutional debate, and it therefore affects our rules and our sense of self-governance. I am particularly grateful for the amendments because in his remarks my hon. Friend mentioned the various criteria that enable people to vote in very important elections in this country.

7.45 pm

The status of Commonwealth citizens is interesting. The Bill, as a package, brings together some important issues, among them the registration process to get on the electoral roll. I have had experience in my constituency of a family who were on the electoral roll—they were citizens of the Commonwealth—but who were not here lawfully. There is no duty imposed on a returning officer to ascertain whether those who fill in the form and submit it to the electoral officer are entitled to be on the register. In certain parts of the country, that can affect the outcome of elections, be they constituency or regional elections; it depends on the concentration of those who have got their names on the register in particular areas. That is the first point.

Through this loosely worded approach to a referendum constituency, if I can put it like that, we are giving a vote to people who have no natural association with this country other than through post-colonial arrangements. I do not think that that is appropriate, and most people, if they stood back and thought about it, would think it rather incredible that anyone who has got here unlawfully and has their name on the electoral register—although that is an offence—can vote. In fact, such people have voted, and may have affected the outcome of an election. The referendum is important, because it relates to a change to our constitution. Should that not be a matter for British subjects or citizens? I think that the right answer is yes.

Mr MacNeil: I am listening with interest to the hon. Gentleman. I have already given an example to which there has not yet been an answer—of the Irish citizen from Northern Ireland living in Scotland. What about the children of those who have left the islands of Scotland and gone off to Australia or New Zealand? I know some people who have done so. Those children are the children of UK subjects and have the title of British citizen. Are they entitled to vote, although they have never lived in the UK, when those who have come here and are materially affected by what is happening would not be allowed to vote?

Mr Shepherd: As for those who have emigrated, and possibly even taken up Australian citizenship, I would say no. Why should they? They have made a declaration.

Mr MacNeil *rose—*

Mr Shepherd: I do not want to engage in an exchange across the Chamber of the kind that we have just had. I respect the hon. Gentleman's opinions, but it seems that we are talking about a central, small part of an issue: what constitutes British citizenship? It is not as defined in 1947 any more, and there has been a whole series of extensions to that definition. Now, European—not British—citizens can determine how local taxes are arranged in the borough or elsewhere.

This is a question that would, frankly, have been startling to many people, certainly when I first came to the House. The numbers are huge: 3 million new British citizens have been created since 1997, and I do not see them returned on the electoral register. It has not leapt by that number. I want to assert the essential concepts of citizenship, because the Bill is, in the end, about our citizenship; it is about voting processes and how we elect a Government, and it explores the idea of a five-year mandatory Parliament. However, the essential issue here is who should vote. That is all it is about.

Mr MacNeil: Is the hon. Gentleman saying that somebody who holds British citizenship because of their UK-subject parents—I know that these are funny terms that are kind of inconsistent—and who has never lived in the UK should be able to vote in the referendum and that those who live here should not?

Mr Shepherd: I am using common terms, and I hope the hon. Gentleman will forgive me for that. I understand British citizenship as a link by birth to a country. I also see it as the sentiment of the individual. As I said, there have been 3 million new British citizens in 13 years, and it is not impossible for them to express that sentiment and qualify for citizenship. I did not want to be distracted down the routes along which the hon. Gentleman was trying to lead me. I feel that we have started on a question and answer session, and that was not my intention.

Sammy Wilson: I understand what the hon. Gentleman is saying, and I totally agree with him. One of the prices for taking part in elections in the United Kingdom ought to be that someone is a citizen of the United Kingdom. Given that principle, with which I agree, does

he consider that amendment 60 sits uneasily with it, in so far as we are making exceptions for people who opt for Irish citizenship and yet would be entitled to take part in the referendum to decide on the kind of voting system that there should be for British elections?

Mr Shepherd: In a sense, there are two parts to that. One is sentiment. Let me illustrate that the other way round. I take the Crossland example. It is not a bad one, and concerns the American wife of a British politician. She lived here for many years, was married to a British citizen and wanted to vote in British general elections, her husband being a leading Labour politician. That was impossible for her under her citizenship of the United States. It was absolutist. The United States has given way on that and recognises that American citizens can retain their American citizenships while voting, in certain circumstances, in a British election. There is their concept of citizenship. Where is ours?

What is the basis of our great universal appeal? It is the formation of our own society and its integrity—the integrity of our view of the rule of law, the constitutional tradition, the way in which we change our laws, and so on, which are mostly unknown to those who come from foreign parts, who are here temporarily, but qualify under the terms of our existing arrangements.

The Government have opened up this great can of worms, in the sense that by putting the Bill on the Order Paper as a constitutional measure, they are inviting people who do not necessarily have any attachment to the concept of the United Kingdom or the integrity of its institutions to vote. Why? If we were to do a poll on this—my hon. Friend the Member for Grantham and Stamford (Nick Boles) seems to rely on the stars of polls—most people would be very confused by what my hon. Friend the Member for Altrincham and Sale West said as he listed the various categories which, on the various sections, may vote for this, that and the other.

The amendment is important and I will most certainly vote for it. There should be a duty to ensure that everybody is validly on the electoral register. That is not funded properly. Local authorities maintain that they cannot afford to do it. Mine are already allocating numbers, because they have a small grant, of those who should go out to get people to register. One can look at any electoral register—I see it in my own constituency—and two missing residents jumps to eight, which jumps to 10 or perhaps 14. There are all those missing residents, and not just residents, but citizens.

When constructing the boundaries that will come from the Bill, we do not know what that will mean in terms of equality of boroughs. Some 95% of immigration into the United Kingdom is into England. It is concentrated in cities and in certain areas. Illegal immigration, as we know, is very high. Statistics are adduced for that. Immigrants who come from a Commonwealth country and speak English often apply to go on to an electoral register. They need it for other reasons, to show that they are householders and so on. Under the terms of the Bill, they will vote. It may not be lawful that they should vote, but there is no mechanism by which we can identify whether they are entitled to vote. I shall support the amendment.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I shall contribute briefly in support of amendment 332 proposed by my hon. Friend the Member for North East Derbyshire (Natascha Engel). Like her, I speak as a former 16-year-old, and also as a former chair of the all-party group on youth affairs. It is important that in this debate, hon. Members in all parts of the House are listening to the organisations representing young people who, as she said so eloquently, have been campaigning for many years for the principle of votes at 16.

I was 16 in 1983, and there was a general election that year which some of us remember only too well. I stood in a mock general election in my school and I came fourth as the Labour party candidate, although 14 years later perhaps made up for it by winning in that same constituency in 1997. I cite that because in my experience 15, 16 and 17-year-olds are often extremely interested in politics. The case that has been made for votes at 16 is about recognising the rights of citizenship that include the right to vote in elections.

The referendum gives us a first opportunity to try out the notion of giving votes to 16 and 17-year-olds. As a supporter of that, I am confident that it will work and that many 16 and 17-year-olds will choose to participate, for the reasons that my hon. Friend gave. Those who are more sceptical will have the opportunity to see whether it might not be quite so successful in practice.

My hon. Friend, who was subject to many questions and interventions, made the case clearly as to why it makes sense for 16 to be the age at which the limit is set. Of course, as she said, it is to some extent an arbitrary age, as is any age. An age lower than 16 would be problematic and would raise practical issues about the registration process, as hon. Members have said, whereas we already ask 16 and 17-year-olds to put their names down when placing people on the electoral register each year. As my hon. Friend the Member for Foyle (Mark Durkan) said, it is a straightforward proposition to suggest that 16 and 17-year-olds should be entitled to vote in the referendum.

Mark Durkan: A further consideration, certainly in the context of registration in Northern Ireland, is that anyone registering must give their national insurance number. Obviously, that would be available only from the age of 16.

Stephen Twigg: I thank my hon. Friend for making an important additional point in support of the proposal.

I encourage hon. Members in all parts of the House to be brave and to support the excellent case that has been made this evening by my hon. Friend the Member for North East Derbyshire. I respect the fact that there are some in the House who, in principle, are opposed to any lowering of the voting age from 18. If Members feel that strongly, the onus is on those of us who support a reduction to 16 to persuade them. I am more sceptical of those who fought an election on a manifesto to reduce the age to 16 yet are telling us today that although they support the reduction in principle, this is not the opportunity for us to do that.

Mark Tami: Name them!

Stephen Twigg: We have not had the vote yet. How can I name our Liberal Democrat friends when we have not yet had the vote? I encourage Liberal Democrat Members to consider this. The case has been made, including by the hon. Member for Bristol West

[Stephen Twigg]

(Stephen Williams) over a number of years, in favour of making the change, on the basis of equality and of democratic reform. I am a strong supporter of the referendum. It is an important opportunity for us to debate how the House is elected, and I would very much like us to give 16 and 17-year-olds the opportunity to be part of that decision when it is made next May.

8 pm

Chris Bryant: I congratulate my hon. Friend the Member for North East Derbyshire (Natascha Engel) on providing us with the amendment to debate this evening, and on the manner in which she presented her case. It showed that one can make a forceful case with a considerable degree of humour, and I think that we all enjoyed it. Indeed, it was one of the most enjoyable speeches that I have heard in the House for many a long year.

I was going to say that I was once a 16-year-old, but I am not entirely convinced that I ever really was; I think that I am going back to my childhood now. Several hon. Members referred to the issue of 16 and 17-year-olds, and I know that hon. Members in the Liberal Democrat party are trying to find reasons why they do not have to vote against the Whip this evening, but I honestly say to them, "You're either in favour of votes at 16 and 17 or you're not, and if you are you should be voting in favour of votes at 16 and 17 in the next election, which may be held next May."

Otherwise, it seems to me that the Liberal Democrats really are taking to heart the words of Homer Simpson, when he said:

"Weaselling out of things is important to learn. It's what separates us from the animals—except the weasels."

I know that the hon. Member for Bristol West (Stephen Williams) is not a weasel, and I know that none of the honourable people currently sitting on the Liberal Democrat Benches is either, so I hope that they will stick with their manifesto commitment, which was to vote in favour of votes at 16 and 17. The most recent vote on the matter, held before the general election, was a free vote for Labour Members, and the Labour party will have a free vote again this evening.

I happen to support votes at 16 and 17, simply because we ask young people to do many things in modern society, and they are aged in many ways. We now expect them to take on significant levels of debt, and to consider doing so before they go to university, and I honestly believe that if they can make decisions about whether they can parent, about whether they have children, I think that they should also be able to decide who governs the country. That is not the precise proposal in the amendment before us, because it relates merely to the referendum, but I think that general election votes should also apply to that age group.

I am afraid that I find the amendment that the hon. Member for Altrincham and Sale West (Mr Brady) tabled quite disturbing and unpleasant.

Mr Charles Walker: You're over-egging it.

Chris Bryant: I am not over-egging it. Remarkably few people have migrated to my constituency of the Rhondda over the past 80 years, except from Ireland and England, so this is not an issue about who is and is not able to vote in my constituency. However, I rather like the fact that some elements of our law on citizenship are slightly fudged. I like the fact that we still emphasise the bonds of the Commonwealth sufficiently to be able to say that if an Australian works in this country in a bar as part of their gap year, is resident here, pays their taxes and is working, by virtue of their citizenship of Australia they are allowed to vote.

Let us refer to the Republic of Cyprus. Many north London Conservative MPs would reckon that it was not without the Cypriot vote in the general election that they were elected. In addition, if we were to disfranchise the large number of Greek Cypriots in north London and, for that matter, south Wales, we would be saying to them, "Please don't engage in the British political system," and doing so at a time when their engagement with the British political system enables us to engage better with the problem in Cyprus, which is still a divided island, with a divided capital city and all the problems about which this Committee knows.

Mr Brady: The shadow Minister may be disturbed, and I apologise for that, but, first, those Commonwealth bonds should be reciprocal, and they are not in the instances that he has set out. Secondly, on the Cypriot community in this country, can the hon. Gentleman give us any reason why somebody who chooses to make their home here permanently and wishes to be a part of our political process should not seek British citizenship?

Chris Bryant: Of course I want to encourage people to take up British citizenship, but our legislation is shaped as it is because of Mrs Thatcher. She introduced the British Nationality Act 1981, followed by the Representation of the People Act 1983, which guarantees citizens of Commonwealth countries the right to vote in this country. I very rarely say so, but on that occasion Mrs Thatcher got it right. [Hon. Members: "Resign!"] I think I might have lost the Rhondda there. There are other occasions on which I do not agree with her very much.

Let us take another instance. Papua New Guinea was never a British colony. It was an Australian colony and, therefore, part of the Commonwealth, but I delight in the fact that, because the main sport in Papua New Guinea is rugby league, Papua New Guineans come to the UK. There are some significant and famous Papua New Guineans playing that sport in northern England, and I am delighted that while they are here, they want to take an active part in British politics and are able to vote.

For that matter, I am delighted that Fijians, in significant numbers, want to join the British armed forces. All hon. Members will want to pay tribute to the role that Fijians have played in Iraq, in Afghanistan and elsewhere. Fiji is no longer a Commonwealth country, because of the situation in Suva, the military regime there and the fact it does not seem to have in place a direct course back to democracy, so I ask the Minister, why have we not amended the list under schedule 3 to the 1981 Act? Does he feel it right to leave it precisely as it is?

I say to the hon. Member for Altrincham and Sale West that the bond that I cite in relation to the Commonwealth also applies to Ireland. It is pretty difficult to unpick our entire historical relationship and

the steady process towards peace on the island of Ireland, but through the hon. Gentleman's amendment there would be a real danger of him doing so. I value our relationship with the Republic of Ireland. It is important that British people be able to continue to vote there, and others here.

Mr Brady *rose—*

Chris Bryant: The hon. Gentleman may be about to raise the issue of whether the relationship should be directly comparable, and perhaps it should be, but my instinct would be to say that if one wants to move towards greater compatibility or to reciprocal arrangements between different countries, one should do so through a Representation of the People Act, not a referendum Act.

Mr Brady: I am grateful to the hon. Gentleman for giving way, but I was not going to make that point. I have said that I am an eternal optimist, and as one door closes another door opens, so, given the importance of the bond between people in different countries, which he believes gives rise to a right for them to vote in elections in this country, I assume that he is about to say that British expatriates, who may wish to return to this country in the fullness of time, have at least an equal bond, and that he will therefore endorse amendment 61 later this evening.

Chris Bryant: That is quite interesting, because rather bizarrely I spent a lot of the general election in Spain, trying to help British people get home during the ash cloud problem. Indeed, it was as difficult to get to Spain as it was to get back, so it was a slightly complex mission. I am conscious that about 1 million British people live in Spain, and that about 800,000 live in France, and many exercise a right to vote because they have a second home either in the UK, Spain or wherever. However, when they no longer participate in British society, it is difficult to see why, after 15 years, they should continue to have the right to vote as an overseas voter. In actual fact, the number who use their vote is infinitesimal. That is partly because of the difficulty of voting by post. I suppose that arrangements could be made for voting in embassies, consulates-general and so on around the country, but I am not sure that it is worth the effort. After 15 years, there is a good argument to say that if someone has no direct investment in the future of the United Kingdom, then it does not apply.

Mr Charles Walker: I am trying to follow the Minister's argument. Is he saying that rugby league players from Papua New Guinea playing in the north of England should have a right to vote in a referendum on the future voting system in the United Kingdom?

Chris Bryant: The hon. Gentleman is sitting next to the hon. Member for Altrincham and Sale West—a man who just described himself as an eternal optimist. They are both so optimistic that they are still referring to me as a Minister, which is a delight. Of course, the hon. Member for Broxbourne (Mr Walker) knows perfectly well that that is not the argument I am making; I know that because he did that little shrivel-up of his nose that he sometimes does when he is about to make a mischievous contribution in debate.

The basis of my argument is that the bonds of the Commonwealth are important, and I have given a couple of instances of that. We have significant numbers of people from these various communities in the UK. Many of them have been resident for some time, pay taxes and contribute to British political life, and I would like them to be able to remain in the same situation. The situation is not broken, and so, to use an old Conservative principle, I do not see the need to fix it. Particularly in relation to the Republic of Ireland, it would be a step completely in the wrong direction to try to unpick the relationship that we have managed to maintain over the past few years.

Another issue that has been touched on only slightly relates to the overseas territories. We should consider, not directly in relation to this referendum, but certainly in relation to the future, how overseas territories are represented in the context of the British Government. There is an degree to which we still decide matters for the overseas territories. For instance, in recent weeks the Government have decided to overturn the decision on borrowing in the Cayman Islands and allowed the Cayman Islands to remain as a tax haven. I believe that that is entirely a mistake, and that the finances of Cayman are unsustainable. It is therefore important that we find some means of ensuring that the overseas territories have some form of representation.

I want to ask the Minister a couple of other questions about why the Government have introduced the clause precisely as it is. I presume that we will not have a clause stand part debate, so I will mention these points now, if that is all right, Ms Primarolo. I do not understand why peers should be allowed to vote in a referendum on elections to the House of Commons. That seems slightly odd, because all the other provisions relate to those who are able to vote in elections to the House of Commons. Perhaps the Minister will be able to enlighten us. In particular—this may be down to my personal stupidity and inability to read legislation—*[Interruption.]* Undoubtedly it is, yes. I see that the hon. Member for Worthing West (Peter Bottomley) has swapped sides and decided to join the ranks of the Labour party: he is very welcome.

I asked the Minister about clause 2(2) earlier, so by now he might have had some inspiration from the officials. No, I see that he is not going to get any inspiration from them because they are all shaking their heads furiously. The clause makes provision for peers whose only right to vote will be by virtue of being able to do so through the City of London—for instance, as an alderman—and therefore not by virtue of their residence. Precisely how many people does he think that that catches?

Can the Minister tell us about the position of the bishops? As he will know, some bishops arrive in the House of Lords automatically and some arrive on a sort of episcopal escalator that takes them up there once they are among the longest-standing bishops of the Church of England, as long as they are diocesan, not suffragan or area bishops. What happens to bishops once they are no longer taking their ex officio seat? Will they be allowed to vote? What provisions does he think should be made for the future?

Mr MacNeil: How close does the hon. Gentleman think that this referendum might be?

Chris Bryant: I am hoping that it is some time distant yet. I hope that it will not be on 5 May, but so far we have not won any of those votes.

I hope that the hon. Member for Altrincham and Sale West will press his amendment to a vote, and I look forward to pushing lots of leaflets through doors pointing out who he has decided to disfranchise. I hope that the amendment tabled by my hon. Friend the Member for North East Derbyshire is carried. I look forward to putting lots of notes through doors in Liberal Democrat constituencies pointing out who they have chosen to disfranchise because they are not prepared to follow up what they truly believe.

8.15 pm

Graham Jones (Hyndburn) (Lab): I should like to speak to amendment 332, tabled by my hon. Friend the Member for North East Derbyshire (Natascha Engel). I am grateful to her for doing so, because this is about something that I passionately believe in. Like other Members, I too was 16 once, so I should like to join that club.

This is a unique and momentous moment, as it could open the door to votes for 16-year-olds in all elections. I would welcome that. We are in danger of marginalising young people, and we have to give considerable thought to which way we vote on this proposal, because we do not want to send out the wrong message to them. When I look around at young people, I see that they are growing up faster, certainly in my area. We have a more diverse economy and young people have different career prospects: they expect to change jobs several times, and they are more interested in the future than they ever have been. A more uncertain future gives them more interest in the changing job situation. In my constituency, 15, 16 and 17-year-olds want to be involved in that debate. We see it in the schools and colleges where all the young people are involved in debating—more so than I can ever remember in my lifetime, and perhaps before that on the basis of what I hear from other people.

Mr Charles Walker: I do not mean to disparage 16 and 17-year-olds, but most of them want to be on the Xbox, not putting the X in the box. Since the hon. Gentleman has been a Member of Parliament, how many 16 and 17-year-olds have written to him demanding the franchise at 16?

Graham Jones: That is a very cynical and jaundiced view to take towards 16 and 17-year-olds. The hon. Gentleman will not get many votes from 16 and 17-year-olds in his constituency, and he is probably in desperate need of some election training. However, I will leave that to his constituency: if he is going to lose it to 16 and 17-year-olds, I am quite happy about that.

Young people in general want to be involved in politics and take more interest in it. With issues such as climate change, politics has jumped a generational gap to 15, 16 and 17-year-olds, who are very interested in that because it is their planet that is being polluted. It is not just about climate change or jobs, but a series of issues that people of an increasingly young age seem to be gravitating towards. For example, there are big issues of teenage pregnancy. Decisions are being made about them in their formative adult years, and they want to be involved.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I concur with my hon. Friend's words on this. As a former trade union official, I know of many 16-year-old trade union representatives who represent workers of many different ages in an employment setting. They have much to contribute about employment law in their respective workplaces, and they should also be able to contribute in the wider political setting.

Graham Jones: I enjoyed that intervention. It is good to hear that young people are joining trade unions; Labour Members certainly welcome that. The TV debates encourage us to extend the franchise—I think that we all agree that young people in our constituencies were energised by them. The medium and the mode meant that young people could see politics in a different light, and there was an increase in interest and participation. I went around the polling stations in Hyndburn when I was elected, and many more young people were in the polling booths. I think that that contributed to the higher turnout at the election.

Let me extend the argument about extending the franchise, because I believe that it should apply to all elections. We have a by-election in Baxenden on 18 November, and our candidate, if I can plug him, David Hartley, was 18 only days before nomination. He cannot suddenly have become politically aware; he has built up to that. We should encourage young people into politics, and it is good that a young person has come forward. We must be clear that to be politically aware at 18 requires a build-up of knowledge, and 16 and 17-year-olds should participate.

Although the amendment is about the AV referendum, the principle is clearly broad. It is a watershed moment because if we give 16 and 17-year-olds the vote for the referendum, it opens up the argument for the future. Let us consider tuition fees, which my hon. Friend the Member for Rhondda (Chris Bryant) mentioned. That assists the argument for extending the franchise. Parliament is discussing the differential charging of students. We could go back to the old debate about taxation without representation, but if we intend to subject young people to differential charging based on background, not ability to pay, we should extend the franchise to them. Today could be the day we start extending it.

The major argument against extending the franchise is lack of knowledge and experience among young people, but that is ageist and not based on young people's cognitive processes.

Mr Charles Walker: I know that the hon. Gentleman is making a heartfelt plea, and I quite like children—I have three of my own. Why cannot we leave them alone to let them get on with being children? They are not obsessed with getting the franchise. Sixteen and 17-year-olds want to chase girls, drink beer and have a good time. Let us stop accelerating the ageing process.

Graham Jones: Given that the hon. Gentleman is now encouraging his constituents aged 17 and under to vote against the Conservative party, I hope that he has more children.

It is claimed that young people do not have the experience and knowledge to vote. When my grandmother was 95, she had serious Alzheimer's, yet she still held the right to vote. Nearly all young people are far more

informed than my grandma was in her later years, but we never thought about taking the vote from her. Saying that young people are not experienced or knowledgeable enough is not a strong enough argument. It does not reflect real life or how people experience it. Indeed, I believe that 16 and 17-year-olds are often in a better position to make an informed judgment. There is no principled or consistent argument that justifies denying the vote to young people.

Mr Harper: Many issues have been raised and many amendments have been tabled. I shall try to deal with them briefly—

Mr Brady: At a canter.

Mr Harper: Indeed.

The amendments would amend clause 2, which sets out the franchise for voting in the referendum. It might be helpful to tell hon. Members who have tabled amendments that, with one exception about peers, which I shall outline, we have simply applied the franchise for Westminster elections in the Bill. We thought that that was appropriate. We have not used the one-off referendum as an opportunity for experimenting with the franchise.

Amendments 59 and 60 would prevent Commonwealth and Irish citizens from voting. Given that my hon. Friend the Member for Altrincham and Sale West (Mr Brady) said that he was not only an enormous but an eternal optimist, I hope that he can hold that optimism in reserve for a future date, when we might revert to those matters.

To explain why we are here, my hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd), who is no longer in his place, put his finger on it when he mentioned the history of our country and how citizenship came about in the first place. I do not often agree with the hon. Member for Rhondda (Chris Bryant), but he made a sensible point when he referred to our history. I also agreed with him when, in speaking about the Commonwealth, he drew attention to the fact that around 10% of our Army is made up of people who would not otherwise be eligible to vote in this country. They serve our country well, and several have been prepared to pay the ultimate price in that service. The point was sensible and well made.

We wanted to stick with the current franchise for the referendum. My hon. Friend the Member for Altrincham and Sale West made a wider point, to which it is worth the Committee's reverting. When the House has considered other Bills to reform the electoral arrangements, it has always taken the view that it wanted to stick with the existing position, enabling some qualifying Commonwealth and Irish citizens to vote. Of course, it is open to the House, if asked to consider the matter in future, to disagree and try to make a change. I will think some more about the matter, and consider whether it is appropriate for the Government to make such proposals in future. However, I ask my hon. Friend to stick with the existing, tested franchise for the referendum. Indeed, he said in his opening remarks that he did not want us to legislate in haste. All the proposals to fiddle with the franchise specifically for the referendum constitute legislating in haste. There are perfectly sensible arguments for doing as my hon. Friend suggests and for making other franchise changes, but I think that it is best to stick with what we use for our Westminster elections for the referendum.

Mr Geoffrey Cox (Torridge and West Devon) (Con): Is not the point about the referendum that it will change the rules of the constitutional landscape for ever? Now is therefore the time to focus our attention on who should exercise the franchise on that critical question, which will affect how Members are elected to the House for the next 100 years or more. It is different from an ordinary election.

Mr Harper: Given our tradition of parliamentary sovereignty, my hon. Friend does not set out the position accurately. If we have a referendum next year, as I hope we do, and if the people of the country decide to change the electoral system, as I hope they do not, it is open to a future Parliament to hold another referendum. The referendum will not change the position for ever—nothing is for ever in a parliamentary democracy. I do not buy the argument that, just because we are having the referendum, we are required to change the franchise over and above the one that we use for parliamentary elections. Choosing the Government of the country is a significant matter. Indeed, many—perhaps more on the Government side of the Committee—would argue that Governments who are elected can make significant changes. Governments took us into the European Union and signed treaties that bind us unless we decide specifically to opt out of them. We might not have been entirely happy that Governments did that, but we did not challenge their right to do so. The Government's position is that we have stuck with the franchise. However, I have listened carefully to what my hon. Friend the Member for Altrincham and Sale West said, and this is an issue worth revisiting, but this Bill is not the right place to make the change.

Mr Cox: Is my hon. Friend seriously suggesting that if the country opts to change the voting system to the alternative vote—I do not think that it will and I fervently hope that it will not—a future Parliament could never turn the clock back and restore first past the post?

Mr Harper: Of course it could. If the voting system were changed, the public might reconsider and want to change, either back to the old system or to another one. That has been the experience of other countries that have reformed their electoral systems. It is perfectly sensible to say that that could happen, and my hon. Friend is not really setting out an argument for why we should change in this case.

Mr Brady: The Minister is trying to be helpful, and I get the clear message that there may be more legislation in the not too distant future, at which point this issue may be revisited. Can he help me a little further by saying whether the Government believe, as a matter of principle, that the franchise should be adjusted to have citizenship as its basis?

8.30 pm

Mr Harper: I do not think that my hon. Friend would expect me to set out that position now. As I said, referring to what my hon. Friend the Member for Aldridge-Brownhills said, we have arrived at this position because of our history and traditions. Parliament can, in the future, consider the extent to which it wishes to

[Mr Harper]

recognise that history and those traditions—how we have got where we are and how this country was created—or whether it wishes to adopt a pure system such as those adopted by countries without that long history. The House can debate and decide that issue at a future date. The Government do not wish to make that change now, but I will listen to what my hon. Friend the Member for Altrincham and Sale West has said, and I will think on it some more.

Mr Brady: The only argument that my hon. Friend has advanced against changing the franchise for the referendum is that it would be legislating in haste and we should give the issue deeper consideration before taking that action. He has not actually argued against the point of principle, and I hope that he will express a view on whether the franchise in elections in this country should be predominantly a matter for citizens, as indeed on 16 September he agreed was perfectly normal and was the case almost everywhere else in the world.

Mr Harper: I did say that it was perfectly normal in other countries, but my hon. Friend knows that this country is special—*[Interruption.]* It has a unique history and we are where we are because of the experiences that we have had in the past. As Conservatives, we should not lightly throw off those historical resonances—

Chris Bryant: I hate to say it, but I agree with that last sentence. In offering solace to Conservative Back Benchers, the Minister seemed to suggest that he is actively considering whether Commonwealth citizens should be removed from the franchise for parliamentary elections. Is that true?

Mr Harper: I chose my words carefully and I said that I would think about it. There may be an opportunity in the future, when the House considers a wider Bill, when it would be appropriate to debate it. Even if the Government did not bring forward such proposals, hon. Members would table amendments—as they have for this Bill—and give us the opportunity to debate the matter.

Chris Bryant: That is clear, and I am grateful to the Minister. Can he answer the question that I asked earlier about Fiji?

Mr Harper: Fiji has been suspended from the Commonwealth, and the usual practice is that in such cases we do not take steps to remove the right of qualifying citizens from those countries to vote in our elections.

It is worth saying that the right of Commonwealth citizens to register to vote is restricted in electoral law to qualifying Commonwealth citizens—those who do not require leave to enter or remain under the immigration legislation, or those who do require leave but have it. I say that because my hon. Friend the Member for Aldridge-Brownhills suggested that in some constituencies significant numbers of illegal immigrants had managed to get themselves on to the electoral register and that there was no duty on electoral registration officers to do anything about that. But that is not the case. Electoral registration officers have a duty to maintain an accurate and complete register and to inquire whether people are eligible to be—

Mr Shepherd: Will my hon. Friend give way?

Mr Harper: I see that my hon. Friend is back in his place.

Mr Shepherd: Of course, there is no money. The state of the register is as I reported in my speech. There are many people in that situation, and he cannot disprove that—any more than I can prove it—because no efforts are made to identify whether a Commonwealth citizen who applies to go on the register is here lawfully.

Mr Harper: I would say two things to my hon. Friend. First, money is provided to local authorities as part of their normal funding, and it is a matter for the local authority to decide on priorities. In his own case, if he is dissatisfied with how the electoral registration officer is conducting himself, I suggest that he speaks to the chief executive of his local authority and makes those strong representations.

Secondly, given our proposals to move to individual voter registration in 2014, we will be improving the registration system and making it much more difficult for people who are not entitled to be on the register to be on it. I have written to local authority chief executives to ask them to take part in data-matching pilots in which we can, first, identify those who are more likely not to be on the register who should be, enabling authorities to target their resources on them and, secondly, target voters who should not be on the electoral register, to enable authorities to ensure that the register is not just complete but accurate. So there are two avenues there that my hon. Friend can pursue.

I want to address the argument made by the hon. Member for North East Derbyshire (Natascha Engel), whose amendment 332 would extend the franchise to 16 and 17-year-olds. As I said, our approach has been that the people voting in the referendum should be those entitled to vote in a Westminster election. She, perfectly reasonably, is continuing her long-running campaign, supported by a number of hon. Members, to lower the voting age. As I said to my hon. Friend the Member for Altrincham and Sale West, I do not think that experimenting with the franchise in this Bill is the right way to go.

Many hon. Members will know my views on lowering the voting age, but—on a note of agreement—my hon. Friend the Member for Bristol West (Stephen Williams) is right. He is a firm advocate of lowering the voting age in elections in general, but he acknowledges that trying to do that in this Bill, for one specific referendum, is not the right thing to do.

Natascha Engel: I do not want to sound rude, but the Minister's general views on lowering the age are neither here nor there. My amendment concerns this one-off referendum. It seeks to change how the voting system will work at the next general election, when those who are 16 at the time of the referendum will be 18. This is a completely different situation from normal elections.

Mr Harper: As I said in my intervention on the hon. Lady, she has not thought through her argument. She has tried to make two different arguments for her

amendment, and they do not really make sense. Her argument that people who will be voting at the next general election, on 7 May 2015, should have a say in the referendum would imply logically that people who are 14 next year—four years before the election—should be able to vote in the referendum too. Even she, with her campaign to lower the voting age to 16, has not proposed that, because she knows perfectly well that a proposal to allow 14-year-olds to vote would get laughed out of court, even by those who propose lowering the voting age to 16.

The hon. Lady's argument does not stack up or make any sense. If we take her argument to its logical conclusion—picking up on the point made about a new voting system kicking in in perpetuity—we should enfranchise everybody alive today, because at some point in the future they will be voting in a general election based on the voting system bought in by the referendum next year. That simply does not make any sense. So we have adopted the usual position in this country, which is that to be able to vote in an election, one must be an adult, which in our system means being 18.

Chris Bryant: As far as I can see, the Minister's argument is that we should use the franchise used for parliamentary elections, but he makes one enormous exception, which is for the peers. *[Interruption.]* It is not a small exception; it is a large exception. These are the people who are least experienced in dealing with parliamentary elections. I say that not because I have any distaste for peers—some of my best friends are peers.

Sadiq Khan (Tooting) (Lab): Were your best friends.

Chris Bryant: Indeed. Nevertheless, what is the logic behind the Minister's argument for specifically exempting the peers?

Mr Harper: Let me deal with that point, and then I will finish off on the general point. Very simply, we considered the franchise, but we made one exception because, the usual argument for peers being excluded from voting for Members of this House is that they are Members of this Parliament. However, we did not think that that restriction made sense in a vote on the voting system, and we therefore decided to make that change. That is the only exception that we have made, and it is a very limited change—I think it unlikely that the result of the referendum will be swung by Members of the upper House.

Let me conclude on the point that the hon. Member for North East Derbyshire raised. Her argument is a perfectly reasonable one, albeit one that I happen to disagree with, but just as I said to my hon. Friend the Member for Altrincham and Sale West, this is not the place to make it. If we were having a debate about voting in general, she would be perfectly entitled to put that view before the Committee and to test the Committee's opinion. However, for the referendum in question, it does not seem sensible to do that. Her argument—that people who will be affected by the election in 2015 should be entitled to vote in the referendum on the voting system—simply does not make sense, because it would mean giving 14-year-olds the vote in that referendum.

Natascha Engel: I want briefly to correct the Minister on that point. That was not the argument I was making; the only argument I was making was that 16-year-olds on the day of the referendum will be 18 on the day of the election.

Mr Harper: But my point is that 14-year-olds on the day of the referendum will be 18 on the date of the next general election, so that argument simply does not make sense.

Also, the hon. Lady may not like this—I am happy about it, although she might not be—but I should point out that under the coalition Government's proposals, referendums are likely to be more frequent rather than less, as we have proposed bringing them forward under our referendum lock. They might be referendums on European matters, local referendums or mayoral referendums. Therefore, those young people who are not yet 18 who miss out on voting in the referendum next year will find that there will be many referendums in the future on which they can vote, once they are 18.

My final point to the hon. Lady is that this issue is not a small one, because if all 16-year-olds on the date of the referendum were able to vote, that would mean electoral registration officers having to register those who are 15, which is a significant change to the way that they collect data. The hon. Lady said that the change would not cause much trouble, but it would actually cause a significant amount of trouble. I therefore hope that she will not press her amendment 332 to a vote, but if she does, I urge hon. Members on both sides of the Committee—and particularly those on the Government side—to vote against it. I also hope that those who are otherwise in favour of lowering the voting age can be happy that this is not the place to do so, because as my hon. Friend the Member for Bristol West said, he can bring forward a private Member's Bill on the issue, which would be the place to have that debate. I urge hon. Members not to press their amendments to a vote.

Mr Brady: I am grateful to the Minister for giving way. He is being generous with his time, but he has not yet dealt with amendment 61, and I hope that he is about to do so.

Mr Harper: I am grateful to my hon. Friend: I had indeed omitted to talk about his amendment 61, about overseas voters. He will know that at the moment there is a 15-year time limit, to which he drew attention, for British citizens who live overseas. The Government are considering whether to bring proposals before the House in due course. Again, however, I would say to him that this Bill, on the referendum, is not the place to explore that issue. However, he is an eternal optimist, and he might not have to wait eternally before he can debate the matter in the House—perhaps in the near future. I hope that that will satisfy him and enable him, in all good conscience, not to press his amendment to a vote.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): Natascha Engel, do you wish to respond to the debate?

Natascha Engel: I will be seeking your permission to press my amendment 332 to a vote when the time comes, Ms Primarolo. It is a shame that the Minister

[Natascha Engel]

has focused on a technicality, rather than looking at the important point behind the principle of extending the franchise to 16-year-olds. That is a shame; therefore, I shall seek to divide the Committee on my amendment.

8.45 pm

Mr Brady: These issues—the size, extent and description of the franchise—are absolutely fundamental and of grave concern. They are issues that can decide the outcome of general elections in this country and, as I said earlier, could decide the outcome of the vote that we are discussing. I know that the Minister has sought to be helpful. He has also sought to encourage my optimism by deferring matters to a future date. I think that this matter is crucial.

I accept that some elements need further debate—we need, for example, to be very careful about how we handle relations with Commonwealth countries. As the Opposition spokesman said, we must ensure that we get things right when it comes to the Republic of Ireland. These are complex matters. Reluctantly, I will take the Minister's advice and defer these issues for another occasion. I shall therefore withdraw amendment 59 and not press amendment 60. However, I view it as a crucial issue of principle that British citizens should be able to vote in British elections, so I shall press amendment 61 to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 332, page 2, line 19, at end insert ', and

> (c) the persons who, on that date, are aged 16 or 17 and would, but for their age, be eligible for registration as electors at a parliamentary election in any constituency.'—*(Natascha Engel.)*

Question put, That the amendment be made.

The Committee divided: Ayes 196, Noes 346.

Division No. 79] **[8.46 pm**

AYES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blenkinsop, Tom
Blomfield, Paul
Bottomley, Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, Diana R.
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Lewis, Mr Ivan
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Mulholland, Greg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sanders, Mr Adrian
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Stephen
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete

Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Angela Smith and Phil Wilson

NOES

Adams, Nigel
Ainsworth, rh Mr Bob
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beckett, rh Margaret
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunkett, rh Mr David
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goggins, rh Paul
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hamilton, Mr David
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Helen
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Leslie, Chris
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Sheerman, Mr Barry
Shelbrooke, Alec

Shepherd, Mr Richard
Sheridan, Jim
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spellar, rh Mr John
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stringer, Graham
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Watts, Mr Dave
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and
Mr Philip Dunne

Question accordingly negatived.

Amendment proposed: 61, page 2, line 19, at end insert—

'; and

(d) British citizens living outside the United Kingdom and not currently entitled to vote as electors at a parliamentary election in any constituency.

(1A) The Minister shall, within one month of the day on which this Act is passed, by Order provide for a system of prior registration of those entitled to vote in the referendum under subsection (1)(d) above, and for mechanisms by which their votes can be cast.'.—*(Mr Brady.)*

Question put, That the amendment be made.

The Committee divided: Ayes 25, Noes 539.

Division No. 80] **[9 pm**

AYES

Bone, Mr Peter
Brady, Mr Graham
Campbell, Mr Gregory
Campbell, Mr Ronnie
Cash, Mr William
Cox, Mr Geoffrey
Davies, Philip
Davis, rh Mr David
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Hollobone, Mr Philip
Huhne, rh Chris
Jenkin, Mr Bernard
Lewis, Dr Julian
McCrea, Dr William
McIntosh, Miss Anne
Nuttall, Mr David
Paisley, Ian
Shannon, Jim
Simpson, David
Skinner, Mr Dennis
Turner, Mr Andrew
Tyrie, Mr Andrew
Whittingdale, Mr John
Wilson, Sammy

Tellers for the Ayes:
Mr Charles Walker and
Mr Mark Field

NOES

Abbott, Ms Diane
Adams, Nigel
Afriyie, Adam
Ainsworth, rh Mr Bob
Aldous, Peter
Alexander, rh Mr Douglas
Alexander, Heidi
Anderson, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Austin, Ian
Bacon, Mr Richard
Bagshawe, Ms Louise
Bailey, Mr Adrian
Bain, Mr William
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Banks, Gordon
Barclay, Stephen
Barker, Gregory
Barron, rh Mr Kevin
Barwell, Gavin
Bayley, Hugh
Bebb, Guto
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bellingham, Mr Henry
Benn, rh Hilary
Benton, Mr Joe
Benyon, Richard
Beresford, Sir Paul
Berger, Luciana
Berry, Jake
Betts, Mr Clive
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackman-Woods, Roberta
Blackwood, Nicola
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Bradshaw, rh Mr Ben
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brennan, Kevin
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burley, Mr Aidan
Burnham, rh Andy
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cairns, David
Campbell, Mr Alan
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Caton, Martin
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clark, Katy
Clarke, rh Mr Tom
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coaker, Vernon
Coffey, Ann
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crabb, Stephen
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Crockart, Mike
Crouch, Tracey
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, David T. C. *(Monmouth)*
Davies, Geraint
Davies, Glyn
de Bois, Nick
De Piero, Gloria
Denham, rh Mr John
Dinenage, Caroline
Djanogly, Mr Jonathan
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dorrell, rh Mr Stephen
Dorries, Nadine
Dowd, Jim
Doyle, Gemma
Doyle-Price, Jackie
Drax, Richard
Dromey, Jack
Duddridge, James
Dugher, Michael
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Eagle, Ms Angela

Eagle, Maria
Efford, Clive
Elliott, Julie
Ellis, Michael
Ellison, Jane
Ellman, Mrs Louise
Ellwood, Mr Tobias
Elphicke, Charlie
Engel, Natascha
Eustice, George
Evans, Chris
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Foster, Mr Don
Fovargue, Yvonne
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gapes, Mike
Gardiner, Barry
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Gilmore, Sheila
Glass, Pat
Glen, John
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grayling, rh Chris
Greatrex, Tom
Green, Damian
Green, Kate
Greening, Justine
Greenwood, Lilian
Grieve, rh Mr Dominic
Griffith, Nia
Griffiths, Andrew
Gummer, Ben
Gwynne, Andrew
Gyimah, Mr Sam
Hague, rh Mr William
Hain, rh Mr Peter
Halfon, Robert
Hames, Duncan
Hamilton, Mr David
Hamilton, Mr Fabian
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Hanson, rh Mr David
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Havard, Mr Dai
Hayes, Mr John
Heald, Mr Oliver
Healey, rh John
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendrick, Mark
Hendry, Charles
Hepburn, Mr Stephen
Herbert, rh Nick
Heyes, David
Hillier, Meg
Hilling, Julie
Hinds, Damian
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kelvin
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, rh Mr George
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, Tristram
Huppert, Dr Julian
Hurd, Mr Nick
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Mr Stewart
James, Margot
James, Mrs Siân C.
Jamieson, Cathy
Javid, Sajid
Johnson, Diana R.
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Mr Marcus
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeley, Barbara
Keen, Alan
Kelly, Chris
Kendall, Liz
Kennedy, rh Mr Charles
Khan, rh Sadiq
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lammy, rh Mr David
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Lavery, Ian
Laws, rh Mr David
Lazarowicz, Mark
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Leslie, Chris
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Mr Ivan
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Luff, Peter
Lumley, Karen
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Main, Mrs Anne
Mann, John
Marsden, Mr Gordon
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCartney, Jason
McCartney, Karl
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, Austin
Moon, Mrs Madeleine
Moore, rh Michael
Mordaunt, Penny
Morden, Jessica
Morgan, Nicky
Morrice, Graeme *(Livingston)*
Morris, Anne Marie
Morris, David
Morris, Grahame M. *(Easington)*
Morris, James
Mosley, Stephen
Mudie, Mr George
Mulholland, Greg
Mundell, rh David
Munn, Meg
Munt, Tessa
Murphy, rh Mr Jim
Murray, Ian
Murray, Sheryll
Murrison, Dr Andrew
Nandy, Lisa
Nash, Pamela
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Onwurah, Chi
Opperman, Guy
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr James
Parish, Neil
Pawsey, Mark
Pearce, Teresa
Penning, Mike
Penrose, John
Percy, Andrew
Perkins, Toby
Perry, Claire
Phillips, Stephen
Phillipson, Bridget
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Raynsford, rh Mr Nick
Reckless, Mark
Redwood, rh Mr John
Reed, Mr Jamie
Rees-Mogg, Jacob
Reevell, Simon
Reeves, Rachel
Reid, Mr Alan
Reynolds, Jonathan
Rifkind, rh Sir Malcolm
Riordan, Mrs Linda
Robathan, Mr Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr Laurence
Robinson, Mr Geoffrey
Rogerson, Dan
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Rudd, Amber
Ruddock, rh Joan
Ruffley, Mr David
Russell, Bob

Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Sarwar, Anas
Scott, Mr Lee
Seabeck, Alison
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Sharma, Mr Virendra
Sheerman, Mr Barry
Shelbrooke, Alec
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Nick
Smith, Owen
Smith, Sir Robert
Soubry, Anna
Soulsby, Sir Peter
Spellar, rh Mr John
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Sutcliffe, Mr Gerry
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tami, Mark
Teather, Sarah
Thomas, Mr Gareth
Thornberry, Emily
Thurso, John
Timms, rh Stephen
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Trickett, Jon
Truss, Elizabeth
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walley, Joan
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Watts, Mr Dave
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whittaker, Craig
Wicks, rh Malcolm
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Chris
Williamson, Gavin
Willott, Jenny
Wilson, Phil
Wilson, Mr Rob
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wollaston, Dr Sarah
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and Mark Hunter

Question accordingly negatived.

Clause 2 ordered to stand part of the Bill.

9.15 pm

Mr Harper: On a point of order, Ms Primarolo. I gave a commitment on Second Reading that I and other Front Benchers would do what we could to ensure that the Committee had an opportunity either to debate or to vote on the significant issues that arose. Given the time, the Committee will wish to know that in the event of our not reaching clause 6 in today's debate, I intend to allow it to vote, even if that is, sadly, without debate, on the lead amendment in the group selected for debate in relation to that clause, which proposes turnout thresholds for the referendum to be valid. With the permission of the Members concerned, a member of the Government will therefore move amendment 3 so that it can be put to the vote, thereby fulfilling the commitment that I made on Second Reading.

The Second Deputy Chairman: I am sure that the Minister knows that, strictly speaking, that is not a point of order. He has given a point of information to the Committee on how he intends to conduct the business this evening, and I am sure that all Members have taken note of it. I do not wish to have a debate on how the Government might handle this, and I should like to return to the debate because there is still a great deal to cover.

Clause 3 ordered to stand part of the Bill.

Schedule 2

RULES FOR CONDUCT OF THE REFERENDUM

Mr Harper: I beg to move amendment 267, page 26, line 5, leave out '16th' and insert '15th'.

The Second Deputy Chairman: With this it will be convenient to discuss Government amendments 170, 269, 271 to 273, 171 to 173, 177 to 181, 306 and 161.

Mr Harper: The amendments make minor and technical drafting changes to the Bill. Amendments 267 and 269 change the deadline for issuing the notice of poll in the rules for the conduct of the referendum from 16 to 15 days before the poll. The change is necessary to ensure that the combination provisions, which we tabled earlier today, work in the right way.

The rest of the amendments contain a series of miscellaneous minor technical amendments and corrections. I am happy to discuss them further if Members are interested in the detail. I commend them to the Committee.

Chris Bryant: I briefly note the Minister's point of information earlier. However, there are several amendments on the Order Paper and if he thinks that we shall not reach them because he has not allowed enough time, that is his problem. To force a vote, rather than hold a debate, is a disgrace.

I am always profoundly disturbed when I see the words "minor and technical amendments", because all too often far too much can be hidden away in the detail. The Minister skirted over the change of the notice of poll from 16 to 15 days. As he rightly says, that is because of the combination of polls, but there is no need to have a combination of polls next year. As we have rehearsed many times already today, and on our previous day in Committee, we do not need to hold the elections on the same day, in which case 16 days could be provided for the notice of poll, which would be more sensible. I should be grateful if the Minister explained why he thinks it is better to have 15 rather than 16 days' notice of poll, in particular because it is more difficult for overseas voters to know when an election is happening. Does he not think that if the elections were on different days, they would have more time? Why is it important to have just 15 days?

Amendment 171 would remove sub-paragraph (4) of paragraph 21, which relates to the keeping of order in polling stations. The paragraph states:

"It is the presiding officer's duty to keep order at the officer's polling station...If a person engages in misconduct in a polling station or fails to obey the presiding officer's lawful orders, the person may immediately, by the presiding officer's order, be removed from the polling station."

Sub-paragraph (4), which the amendment would remove, states:

"A person so removed may, if charged with the commission in the polling station of an offence, be dealt with as a person taken into custody by a constable for an offence without a warrant."

I do not know why the provision was originally included, or for that matter why it is being removed. What has prompted this change of view? I presume it is nothing to do with the technical wording of the statement, in that the person might not have been charged when he was actually in the polling station, but might have been charged with committing an offence in the polling station. However, I should be grateful if the Minister enlightened us. Some of the other amendments indeed seem to be technical.

Mr Harper: I think that with the hon. Gentleman's first set of questions he seeks to re-argue the debate we had last week.

Chris Bryant *indicated assent.*

Mr Harper: Last week during our first day in Committee, we had an extensive debate on the date of the referendum. I know that the hon. Gentleman argued a different point, but the Committee took the view, by a significant minority, that it wished the election to be on 5 May next year. Given that, it absolutely makes sense to ensure that we combine the elections, so that we make the administration more sensible and make significant financial savings. We have had that argument, and it seems to me that he is seeking to reopen it.

On amendment 171, the hon. Gentleman referred to the fact that sub-paragraph (4) was an outdated provision; to be quite honest, that is why we have removed it. It is simply not necessary.

Chris Bryant: What has changed since the Bill was brought forward that has made the provision outdated?

Mr Harper: I think it is more the case that we copied across to the Bill a lot of the existing rules. This is a minor, technical change, but on going through the rules more closely, we decided that the provision was no longer necessary. We are simply tidying up the legislation, which I think is perfectly sensible. These are, as my right hon. Friend the Leader of the House often says, running repairs.

Amendment 267 agreed to.

Amendment made: 170, in schedule 2, page 27, line 33, leave out 'education'.—*(Mr Harper.)*

Chris Bryant: I beg to move amendment 354, page 27, line 37, at end insert—

'(iii) a school which enjoys charitable status.'.

The Second Deputy Chairman: With this it will be convenient to discuss the following:

Amendment 355, page 27, line 38, leave out from 'Scotland' to end of line 39 and insert

'any school other than those which are run as profit-making enterprises'.

Amendment 356, page 27, line 41, after 'Assembly', insert

'or a school which enjoys charitable status'.

Chris Bryant: The amendments are in my name and that of my right hon. Friend the Leader of Her Majesty's loyal Opposition. Historically, legislation has always provided that the returning officer is able to use polling stations in state-provided schools. For many people up and down the land, when they go to vote, they expect to turn up to a school. Normally it is their local primary school, but provision may be made in their local secondary school. Sometimes, where schools have disappeared, there is a problem with the local returning officer finding a suitable venue. Of course, there is an impact on local state schools: sometimes they have to be closed because there is no other means of providing that the returning officer can use the entrance and make sure that there is security for the children in the school.

These are three simple amendments, the first of which—amendment 354—would insert in schedule 2, page 27, line 37, the words

"a school which enjoys charitable status",

so that the provisions applied not just to schools provided by the state. We have used that term in relation to the law in England and Wales, because in those areas, independent schools with good facilities that might be made available could be so termed. To provide a similar provision for Scotland, we have tabled amendment 355, which would insert, in schedule 2, page 27, line 38, the phrase

"any school other than those which are run as profit-making enterprises",

because the independent sector in Scotland works slightly differently.

I see that none of our Northern Irish colleagues is with us, but amendment 356 relates to Northern Ireland. We would not want to conflict with the provisions relating to Roman Catholic schools run by nunneries and convents, so we have not provided the exact same measure as for England and Wales, where "charitable status" covers the situation. We therefore suggest in the amendment that in schedule 2, page 27, line 41, after "Assembly", we should insert

"or a school which enjoys charitable status".

I recognise that there are those who would say, "Why on earth should independent sector schools be forced to act as polling stations?" I suspect that more independent schools are likely to say that they would quite like the income that might accrue. More importantly, I do not see why state-provided schools should be regularly used and should therefore undergo the upheaval that polling stations cause, but the independent sector which, in the main, enjoys charitable status and is therefore able to have tax benefits, should not be required to provide the same facilities.

The Minister may say, "We think this is an unnecessary measure." Our point is that it should be a matter of fairness. The provision should apply across the board. It should not be state schools alone that are inconvenienced. The inconvenience should be shared by all. In addition,

[Chris Bryant]

some preparatory schools or public schools would be able to provide the necessary facilities relatively easily, without any major inconvenience to them.

In recent years we have seen a considerable attempt by schools in the independent sector to open their doors so that they are far more engaged in the local community. This is an opportunity for them to be engaged in the political process. I hope the amendments will be acceptable to the Government. I am sure they would not want to defend the present injustice.

9.30 pm

Jacob Rees-Mogg (North East Somerset) (Con): I am slightly puzzled as to why schools attached to religious establishments in Northern Ireland should be excluded, but not those in England and Wales. I can think of a number of Roman Catholic schools attached to monasteries that it might be wise to exclude in the amendments.

Chris Bryant: I know personally only one public school in England and Wales that is attached to a monastery, which is Ampleforth. There is also Downside. I know of a considerable number of others, and many are attached to Anglican foundations in various ways, such as Charterhouse. The point I was making was specifically in relation to the Northern Ireland settlement. I now have two Northern Ireland colleagues present. I did not want to disturb the complex equilibrium that sometimes exists in relation to these matters in Northern Ireland.

In the case of Ampleforth, for example, which has a large number of pupils over the age of 18 and a large number of teachers who live on a very large campus, I see no reason why there should not be a polling station for Ampleforth itself. That might apply to a number of the larger public schools which, to all intents and purposes, would represent as large a polling district as some other polling districts. The amendment does not require any action to be taken against public schools. I hope they would see it as an enabling measure so that they might be able to encourage more of their students to vote.

I still hope the Minister will support the amendments.

Mr Harper: I fear I may disappoint the hon. Gentleman. The amendments would compel independent schools to be used for electoral purposes and for the referendum, should the local authority decide that they are the most suitable place for such a purpose. Electoral legislation at present provides that all publicly funded schools can be used as polling stations, and we are applying those provisions to the referendum. So that there is no doubt, following discussion with the Department for Education we can confirm that academies and free schools will fall within those provisions as well.

Under the Bill, as in electoral law generally—

Chris Bryant: The Minister hurried on there. Following discussions with the Department for Education, he says that the same arrangements will apply to academies and free schools, but under what Act is that made clear? Is it made clear in the new legislation that was rushed through Parliament earlier this year?

Mr Harper: It is clear that schools that are publicly funded and receive Government grants fall under these provisions. Schools that do not receive Government grants do not. I was setting that out for the benefit of the Committee, in case there was any doubt. I see no need to labour the point.

Under the Bill, as in electoral law generally, independent schools cannot be compelled to act as polling stations for other electoral purposes unless they receive Government grants. But, to pick up the hon. Gentleman's point about how he hoped that his amendment would be an enabling measure, there is nothing in the law to prevent such schools from serving as polling stations voluntarily. So there is nothing in the law to prevent all those schools that he mentioned from acting as and hosting a polling station, particularly if they have lots of students of voting age. They can make that offer to the local authority, and the local authority can take it up; there is nothing at all to stop a school doing so.

On the hon. Gentleman's wish for the amendment to be an enabling measure, I must say that it is simply not necessary. I do not see any need at all to change the arrangements, which work well. There is nothing to stop such schools volunteering their premises, and I see from his examples that there may well be benefits to the schools and to their students, so I urge him to withdraw this unnecessary amendment.

Chris Bryant: I shall not withdraw the amendment, because I do not accept the premise on which the Minister has advanced his argument. I presume that in his definition of a school for the purposes of the provision, he relies on paragraph (9)(3)(a) of schedule 2, which states that it is either

"(i) a school maintained or assisted by a local education authority;"

or

"(ii) a school in respect of which grants are made out of moneys provided by Parliament to the person or body of persons responsible for the management of the school"—

including, therefore, all the free schools. From the way he was talking, however, it seemed he was suggesting that he had come across some new reason in his conversations with the Department for Education which proved that free schools would be included.

The Minister is right that anybody can apply to provide a polling station. Indeed, some members of the public have said, "In my street, there is no provision," or, "In my little village, there is no provision, so if you would like to use my house feel free to do so." However, I am not aware of any public school or independent school having sought to do so. The Minister did not meet the point that for many state schools there is an inconvenience attached to providing a polling station. The law requires them to do so free of charge, but it does not require anybody else so to do.

The Minister's distinction is based on whether schools are in receipt of moneys or not; my point is that if a school benefits from a favourable tax regime, namely the charitable status that attaches to large parts, although not all, of the independent sector, they should have a concomitant responsibility to provide such facilities. Many public schools are quite happy to provide on a limited basis their sporting facilities—swimming pool, gym or whatever—to the wider community, and such provision might apply to the situation before us, too. I shall therefore press the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 226, Noes 336.

Division No. 81] **[9.38 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Walley, Joan
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Angela Smith and Mark Tami

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James

Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John

Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and
Mr Philip Dunne

Question accordingly negatived.

Mr Cash: On a point of order, Mr Evans. I do not know how the order of the amendments was decided, and I am sure that it was done in a proper and orderly manner, but I wish to place on record the fact that the threshold provisions are being driven further and further down the selection list, yet they are seminal to the referendum and whether it can be justified in the national interest.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): A statement was made by the Minister earlier about thresholds and I am sure that it will all become clear to the hon. Gentleman as he stays for the rest of this evening's proceedings.

Mr Harper: I beg to move amendment 268, page 28, line 2, at end insert—

'*Modification of forms*

9A (1) The Chief Counting Officer may, for the purpose of making a relevant form easier for voters to understand or use, specify modifications that are to be made to the wording or appearance of the form.

(2) In paragraph (1) "relevant form" means any of the following—

(a) Forms 3 to 11, 14 and 16 in Part 2 of this Schedule;

(b) the form of the notice set out in rule 16(7).

(3) In this Part of this Act a reference to a form is to be read as a reference to that form with any modifications specified under paragraph (1).

(4) Where a form is modified by virtue of paragraph (1), section 26(2) of the Welsh Language Act 1993 applies as if the modified form were specified by this Act.'.

The First Deputy Chairman: With this it will be convenient to discuss the following: Government amendments 274 to 278, 281 to 305, 308, 323 and 324.

Mr Harper: These amendments make several modifications for the purpose of adding clarity to the forms and statutory questions that a presiding officer may put to voters in certain specified circumstances in light of the recommendations of the Electoral Commission, Scope and electoral administrators. I referred to these amendments earlier, when we were debating the amendments tabled by the right hon. Member for Cardiff South and Penarth (Alun Michael).

We recognise the important role that the chief counting officer has to play in the successful running of the poll so, at the request of the Electoral Commission, amendment 268 gives the chief counting officer power to amend the wording and appearance of voter-facing forms, except the ballot paper, for the purposes of making them easier to use or understand. This power will extend to forms 3 to 11, which are the form of postal voting statement, the declaration of identity, official poll cards and poll cards for postal or proxy voters; form 14, which is guidance for voters; and form 16, which is the form of declaration to be made by the companion of a voter with disabilities.

We have also made some other minor amendments to improve the clarity of the material seen by voters, including to the instructions on how to vote; to ensure that voters in devolved areas in particular are clear that the referendum relates only to the UK parliamentary system; and to ensure that the questions put to voters prior to being given a ballot paper are clear for areas in which more than one referendum may be taking place.

Following a recommendation from the Electoral Commission, we have sought to make the voting instructions clearer by stipulating that voters must vote in one box only. Amendments 287,291, 293 to 298, 303 and 308 effect this change at the relevant points in the Bill.

Amendments 282 and 283 give effect to the recommendations in the Electoral Commission's guidance on prescribing voter materials to move that voting instruction to directly above the location of the boxes where electors will make their mark.

We have also tabled amendments to make it clear that the referendum provided for by this Bill relates to the electoral system for UK parliamentary elections, as opposed to electoral systems electing members to devolved legislatures. That issue came out of the research that the Electoral Commission did when it was looking at the question. Amendments 281, 284, 286, 289, 290, 304, 305, 323, and 324 achieve that objective.

We have also tabled amendments to make it clear that the referendum provided for by this Bill relates to the electoral system for UK parliamentary elections, as opposed to electoral systems electing members to devolved legislatures. That was an issue that came out of the research that the Electoral Commission did when it was looking at the question. Amendments 281, 284, 286, 289, 290, 304, 305, 323, and 324 achieve that objective.

Given that mayoral referendums might also be taking place on 5 May next year, we have introduced amendments to clarify the statutory questions that the presiding officer may put to voters requesting a ballot paper for the referendum for which the Bill provides. The amendments adapt those questions so that the presiding officer must specifically ask whether that voter has already voted in the referendum on the electoral system for UK parliamentary elections. Amendments 274 to 278 effect that change at the relevant points in the Bill.

Amendment 302 adds a title to guidance for voters to specify that the guidance to which the form refers relates to the referendum on the voting system for UK parliamentary elections. Amendments 285 and 288 give clarity to electoral administrators on where the official mark confirming the authenticity of the ballot paper may be placed on the form. It is important that no wording other than specified in the Bill appears on the front of the ballot paper. Any official marks that contain words, letters or numbers must therefore be printed on the back of the form, which will ensure that ballot papers are as simple and clear as possible for the voters to use.

Following advice from the chief counting officer in Northern Ireland, we have introduced amendments 299 to 301 to remove unnecessary forms from the Bill, as in practice separate poll cards are not sent to electors voting by post in that part of the United Kingdom.

Chris Bryant: Notwithstanding what I said earlier about technical and minor amendments, sometimes they are actually technical and minor amendments, and I do not want to delay the Committee too long.

I have two points. First, I do not understand why, in amendments 274 to 278—and, for all I know, in a couple of the others as well—the question has to be asked not just about "the referendum", but about the referendum

"on the voting system for United Kingdom parliamentary elections."

I am not aware of many other referendums coming down the line on that date, so the amendments seem rather otiose and verbose. Will the Minister enlighten me on why they are thought necessary?

Perhaps a more serious point is that several of the amendments—in particular, amendments 287, 291, 293 and 296 to 298—replace the direction to vote just "once" with the direction that people should vote "in one box" only, which is slightly confusing, especially given that we will be having a combination of polls. Elsewhere, schedule 2 provides that there may be more than one polling station in a room, which is quite common because two polling districts might be using the same polling station—so there might be two desks with two electoral registers and two boxes. I presume, however, that in Wales and Scotland, there could be four desks with different registers, given that there are different electoral registers for the different elections—for the referendum and the elections. There could, therefore, be four ballot boxes in the room, and people might be expected to mark two boxes. So the inclusion of the words "in one box" is rather misleading.

As the Minister will know, a ballot paper will often contain the name of the candidate—for example, "No. 1: Chris Bryant"—followed by the address or whatever the candidate has allowed on there, followed by the party and finally the box. I presume that returning officers will be allowed to count as valid votes, as they do in parliamentary and other elections, any ballot paper on which the signifier, which could be an X or in some cases a tick, has been marked anywhere along the line of the yes part of the question—in other words, not in the one box specified as the box in which the person is meant to put their cross, but at any point across the whole of that line.

First, therefore, does the Minister think that extending the question on "the referendum" is necessary or otiose? Secondly, by inserting the words "in one box", will we not actually make the situation worse? At combined polls, people will expect to vote in two ballot boxes and to mark two boxes on two forms, and whether they do so in the little box itself or in the wider area on the ballot paper will be of material significance. I would be grateful if the Minister enlightened us on those matters.

10 pm

Mr Harper: The point about mayoral referendums is that some may indeed be held. Where there are mayoral referendums, we simply wish to capture them and cover that circumstance. The hon. Gentleman may think that the provision is otiose, but we thought it sensible to be clear.

On the hon. Gentleman's point about amendment 287, amendment 291, and so forth—his point about putting an X in one box only—we are following a recommendation from the Electoral Commission, which I understand it has tested, to make voting instructions clearer. I recognise that he thinks that that might lead to some confusion, but we do not propose to change the normal rules that apply for elections or the test that returning officers adopt to determine whether a vote is validly cast. For example, as long as someone has made clear their intention, the usual rules apply. So, if they have not put an X, but drawn a little smiley face, or if the mark is partly in one box and partly in another, but what the voter intended is clear, the usual rules will apply and returning officers will attempt to ensure that such votes count. Those are the normal rules for elections that we are all used to, so where there is doubt, if the returning officer thinks that there is clarity about someone's intention but then does the usual check with the counting agents, that vote will be allowed.

Chris Bryant: I was not aware that a smiley face was a signifier of assent, but I hope that that matches present practice. The Minister may know more about that than I do, but if he is wrong, he will doubtless correct his statement later. However, the bit that the Electoral Commission has not been able to check is how the system works where combined polls take place in the same room and where a voter has to go to two desks to cast two votes, and therefore votes twice. That is the bit on which I am seeking clarification.

Mr Harper: Just to return to the other point, of course the rules talk about putting down an X, but it is usually the case in elections that if someone has made a mark and signified a clear intention, the returning officer will normally accept that, although that is usually run past the counting agents. That is the usual practice and we do not propose to change it. We do not want to disfranchise anybody unnecessarily.

As for the hon. Gentleman's point about voters perhaps being confused by the number of ballot boxes, personally I think that he is making a point for the sake of making a point, but let us assume for the sake of argument that he is trying to make a sensible point. Given that the proposal was adopted following a recommendation from the Electoral Commission, I will draw his concerns to its attention, and it can see whether they have any validity. The chief counting officer has the ability to amend some of the other forms and instructions given to voters, so I will draw the matter to her attention and see what the Electoral Commission thinks, which is perhaps the most reasonable thing to do in the circumstances.

Amendment 268 agreed to.

Amendments made: 269, page 28, line 8, leave out '16th' and insert '15th'.

Amendment 270, page 29, line 6, leave out paragraphs (3) and (4) and insert—

'(3) In England, the polling station allotted to electors from any parliamentary polling district wholly or partly within a particular voting area must, in the absence of special circumstances, be in the parliamentary polling place for that district unless the parliamentary polling place is outside the voting area.

(3A) In Wales, Scotland or Northern Ireland, the polling station allotted to electors from any polling district must be in the polling place for that district.

(4) The polling districts and polling places that apply for the purposes of paragraph (3A) are—

(a) in Wales, those that would apply by virtue of provision made under section 13(1)(a) of the Government of Wales 2006 in respect of an election for membership of the National Assembly for Wales held on the day of the referendum;

(b) in Scotland, those that would apply by virtue of provision made under section 12(1)(a) of the Scotland Act 1998 in respect of an election for membership of the Scottish Parliament held on the day of the referendum;

(c) in Northern Ireland, those for the time being established under the law relating to local elections with the meaning of section 130 of the Electoral Law Act (Northern Ireland) 1962.'.

Amendment 271, page 29, line 41, at end insert—

'This paragraph is subject to paragraphs (1A) and (2).

(1A) An official poll card must not be sent to a person—

(a) as an elector, if the person is entitled to a postal vote in Northern Ireland;

(b) as a proxy, if the person is entitled to a proxy postal vote in Northern Ireland.'.

Amendment 272, page 30, line 23, leave out sub-paragraph (b).

Amendment 273, page 30, line 27, leave out sub-paragraph (d).

Amendment 171, page 35, line 3, leave out sub-paragraph (4).

Amendment 274, page 35, line 31, after 'referendum' insert

'on the voting system for United Kingdom parliamentary elections'.

Amendment 275, page 36, line 5, after 'referendum' insert

'on the voting system for United Kingdom parliamentary elections'.

Amendment 276, page 36, line 9, after 'referendum' insert

'on the voting system for United Kingdom parliamentary elections'.

Amendment 277, page 36, line 22, after 'referendum' insert

'on the voting system for United Kingdom parliamentary elections'.

Amendment 278, page 36, line 35, after 'referendum' insert

'on the voting system for United Kingdom parliamentary elections'.—*(Mr Harper.)*

Chris Bryant: I beg to move amendment 352, page 37, line 26, after 'contrary', insert

'including any validly registered voter who presents himself to the polling station before 10 pm but, because of a queue, is not immediately able to vote'.

The amendment seeks to rectify the situation that we saw in the general election this year, when, as hon. Members will know, in several constituencies around the land people turned up to vote at 9.40 pm, 9.45 pm, 9.50 pm or 9.55 pm, but could not cast their ballots. Indeed, they were not provided with ballot papers because they could not get through the doors, as there were queues of people wanting to vote. I hope that all hon. Members thought it a bit of a scandal that although people have historically said that England is the mother of all Parliaments, and although we pride ourselves enormously on our historical past, we were not able to run—

Mr MacNeil: England?

Chris Bryant: Unfortunately it was a Liberal who first said that England was the mother of all Parliaments, so I can only excuse him. However, if the hon. Gentleman wanted to point out that the first Parliament was not on these isles at all, he would be absolutely right: it was the Althing, the Parliament of Iceland, which has sat since 929.

My point is that on election night we were deeply embarrassed by the fact that so many people were unable to vote in so many parliamentary constituencies. The Deputy Prime Minister himself said that the situation was simply unacceptable in a democracy:

"It is not right that hundreds later found themselves unable to exercise their vote when the polls closed. That should never, ever happen again in our democracy".

In fact, the situation in his own constituency was among the worst in the land. The returning officer, John Mothersole—a name I have not come across before—apologised to voters who were turned away, saying that the council had "got things wrong." He said that the turnout had been phenomenal, probably the highest in 30 years. That was not quite right—it was not the highest turnout in 30 years—but the fact that some 200 people were turned away in Ranmoor in Sheffield, Hallam and the police had to deal with an angry crowd of about 100 would-be voters is a clear indication that there is a significant issue to consider.

Mark Tami: Does my hon. Friend agree that this problem is made worse by a number of local authorities closing polling stations, which means that the number of people having to attend one particular polling station is much greater than in the past?

Chris Bryant: My hon. Friend is absolutely right. It is true that some people vote some days before the election when they vote by post, but for many people—those doing shift work, for example—it is vital to keep the polling stations open right up to 10 pm; otherwise, they would not be able to meet their work obligations as well as their voting duties.

Mr MacNeil: I saw how what the amendment proposes can work in practice in Venezuela, where I was once asked to be an international election monitor. When the time to close came, the polls stayed open until the queue of people had finished voting. It worked with no problem at all; it functioned very well in Venezuela.

Chris Bryant: Some people have had doubts about some of the Venezuelan elections, and I am not sure that we want to base what we do entirely on comrade Chavez's elections. When I was the Minister with responsibility for Latin America, I was shown a hospital in Venezuela and on one occasion I saw the same woman in three different wards—to prove that the hospital was being used.

Mr MacNeil: Serious questions are often raised before elections, but that happens in this country, too. I do not want to leave people with the impression that there is

[Mr MacNeil]

anything specifically wrong with Venezuelan democracy. From what I have seen of that democracy, I know that both the opposition and the Government of that country were very happy with the process.

Chris Bryant: Perhaps we should stick to elections in this country, rather than worry about Venezuela. The point is that the amendment is designed to allow someone who has presented themselves to the polling station before 10 o'clock to enter it, receive their ballot paper and vote after 10 o'clock, even though there was a queue that prevented them from being dealt with by the officials immediately. This will be even more important if we end up with combined polls next year. In many areas in the Rhonda, there tends to be a fairly quiet period between 8 pm and 9.30 pm, but then there is a sudden surge of voters. If Assembly elections as well as the referendum are happening in the same polling station, with people having to approach two desks to provide the information necessary to get their ballot papers, the delay might well be increased. If local authorities are worried about whether the number of staff is sufficient to fulfil all the functions properly, that provides all the more reason to make special and specific provision for people to be able to vote, even though they are not in the polling station until after 10 o'clock.

James Morris (Halesowen and Rowley Regis) (Con): May I press the hon. Gentleman on the definition of presenting at a polling station? At what point when someone arrives at a polling station do they present? Will someone stand outside the polling station to decide? How long would a queue be before someone is excluded?

Chris Bryant: Discussing the length of the queue would be a great British debate, but my view is that if there is a queue of 500 people, they should be allowed to vote. I do not think that anybody should be disfranchised just because the operation is not swift enough to allow people who present themselves at the polling station before 10 o'clock to vote immediately. As is clear in the amendment, presenting means standing in a queue if it is not possible to vote at once. If a person arrives at one minute to 10 o'clock, they should be able to go straight through the polling station door and talk to the returning officer and then be presented with a ballot paper. If necessary, that should apply to the two polls—the referendum and local elections.

I note that the Electoral Commission has continued to be concerned about late polling since the general election. Clearly, there was uncertainty in the application of the regulations in different parts of the country, because some returning officers were slightly more generous than others. As I understand it, the commission is keen for a resolution, and is broadly supportive of the thrust of my proposal.

I am very hopeful, as always, that the Minister might succumb to my ardent desire in relation to the amendment.

Mr Dodds: I should like clarification. I take it that the amendment applies to voting in the referendum, because that is the Bill that we are discussing. However, it would mean that an elector who turns up to vote in the Northern Ireland Assembly elections and in the referendum could vote in the latter, but not the former.

Chris Bryant: The right hon. Gentleman makes an extremely good point, and I am glad that Ministers appear to be taking it on board. Had they presented their changes to the Northern Ireland, Wales and Scotland legislation to allow for combined polls, I would be able to present proposals that dealt with that problem. However, because the Government are not proceeding in an orderly fashion—they are putting the cart before the horse—I can table an amendment only in relation to the referendum. Should the Government get their act together and present their other proposals, the Opposition would indeed seek to make provision so that people could receive both ballot papers when they present themselves at the polling station.

Additionally, some people might say, "I'm here, but there's a queue. Which of the two ballots should I participate in before the 10 o'clock deadline?" That could lead to a degree of chaos and disorder in the polling station, particularly in urban areas. The amendment would be an important provision and we need to make it. As I said, I am very hopeful that the Minister will meet my ardent desire and agree to it.

Mr Harper: I fear that I might disappoint the hon. Gentleman again. Clearly, some of the scenes on election night did not do our reputation any good, but it is worth putting them in context. The Electoral Commission report states that there was a problem with queues in 27 polling stations out of 40,000 that were used for the May elections, and that about 1,200 people were affected out of the 29.6 million people who voted. I do not wish to underplay the position for those people, but it is worth putting the problems in perspective. The report also states:

"The main factors which contributed to the problems were evidence of poor planning assumptions in some areas",

meaning that some areas used assumptions for the general election based on the turnout for local elections.

Kelvin Hopkins (Luton North) (Lab): I understand the Minister's argument, but in a very tight election that situation in two or three marginal seats could make the difference between the election of one Government or another.

Mr Harper: I had not finished my points, if the hon. Gentleman would allow me. I was not trying to underplay the situation, but to put the problem in context. The commission report also states that the main factors were:

"Evidence of poor planning assumptions…Use of unsuitable buildings and inadequate staffing arrangements"

and that

"Contingency arrangements…were not properly triggered"

when queues built up. Returning officers are supposed to have contingency arrangements in place to deal with unexpected demand, and to be able to move people about. It was clear from the Electoral Commission's research that, in the areas where there were problems, there had been inadequate planning.

10.15 pm

There clearly was an issue, therefore, and we must put it in context, but the key is how we then deal with it. We have to ensure that any changes made to the rules are

workable. My hon. Friend the Member for Halesowen and Rowley Regis (James Morris) put his finger on one reason why this is not as simple as it sounds. As soon as we start talking about there being queues and people presenting themselves to vote, issues arise. For instance, any queue will have to be managed so that people cannot present themselves after the end of the vote. This is not as simple as it sounds, therefore, and in trying to solve what is a real problem—albeit one that was not as enormous as it could have been, although I take on board the point of the hon. Member for Luton North (Kelvin Hopkins)—we do not want to create further problems.

The Government are considering the Electoral Commission's report and looking at what steps are necessary to prevent a repeat of these events. I am not convinced that the hon. Gentleman's amendment offers the right solution, however.

Chris Bryant *rose—*

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab) *rose—*

Mr Harper: I will give way to the hon. Gentleman first.

Chris Bryant: It would be all right for this argument to be advanced if it were not for the fact that the Government are not doing anything about the problem. The Deputy Prime Minister said this was something that should never ever happen again. I have heard the Parliamentary Secretary say that voting fraud absolutely has to be dealt with, and I completely agree, but there are not any more incidences of that than there are of these problems in relation to the poll. If he were coming forward with a solution tonight, I might be more interested in his remarks.

Mr Harper: I did not say that we would do nothing about the problem. I specifically said the opposite—that the Government are looking carefully at the Electoral Commission's report and its outline of the problem, and that we are considering possible solutions. We are not yet persuaded that a legislative solution is the right one, however. When we have decided what we think the appropriate solution is, if that requires legislation we will introduce it at the appropriate time. Also, if we were to make this change, we would need to make it for elections in the round, not just for this particular referendum.

Ms Abbott: The Parliamentary Secretary is in danger of understating the seriousness of the problem. My Hackney constituency was one of the places where this problem arose, and at the appropriate time I hope to expand on how serious an issue it was.

Mr Harper: I was not in any way underplaying the seriousness of the issue in those cases where these events happened. I was simply outlining the fact that it was not as widespread as people might have thought from the television coverage; I wanted to put it in context. However, as I said, I absolutely acknowledge that for those people who were affected, the problem was clearly very serious, and we want it to be solved, but we do not necessarily think that the proposal under discussion is the right way to solve it. There is a danger of creating as many, if not more, problems than those we are trying to solve in the first place. The law of unintended consequences might apply.

Mark Durkan: Does the Minister not accept that the problem is likely to be more acute in circumstances such as those in Northern Ireland, where voters will be using three different ballot papers? Regardless of what combination arrangements are put in place in respect of separate ballot boxes and so forth, that is likely to cause more delay. I also ask him to remember that in the last general election some of us had our counts delayed by dissidents who were directly attacking the democratic process. Sadly, it is likely that in some places in Northern Ireland there could be disruption outside the polling stations, which will add to the problem.

Mr Harper: The hon. Gentleman raises two separate issues. The latter problem is clearly one that I hope does not arise, although he says it may well. If so, it must be managed on a case-by-case basis. We cannot make provision in legislation for that, but we want to make sure we solve the problem.

The hon. Gentleman's first point about the combination of polls next year highlights exactly why we have worked closely with the Electoral Commission and officials who administer elections across the UK to put in place sensible combination provisions to ensure that the elections run smoothly. It will be for those responsible for delivering both the elections and a referendum to look at what the likely turnouts will be and what complexities might arise from the elections, particularly in places such as Northern Ireland where there may be a number of polls with different electoral systems, and to put plans in place. One of the things that the Electoral Commission will be examining, certainly as far as the referendum is concerned, is whether people on the ground have made those arrangements. I know that the chief counting officer will be ensuring that the counting officers and regional counting officers have exactly thought through some of these issues to ensure that they do not arise again, and of course they have the power to direct some of these things to be sorted out appropriately, a power that they did not have for the election.

To be fair, it is worth making the point that although the Electoral Commission was criticised to some extent this year, it was not responsible for delivering the elections in those individual cases. It delivers the guidance and it encourages returning officers to think about some of these issues, but in the areas where there was a problem it was largely the responsibility of the individual returning officer for not having planned properly or having had proper contingency arrangements in place. That is where the responsibility lies, and we need to ensure that that does not happen again.

Ms Abbott: The hour is late, but I wish to put on the record how concerned people in Hackney were by the debacle that we had at the polls earlier this year. The number of people who were turned away is an underestimate, because in my constituency hundreds of people came out after work to vote, saw the queues, went away, came back again, saw the queues and went away again, so we will never know how many people were put off voting. The cause of the queues was partly that people in Hackney were voting in three different

[Ms Abbott]

ballots—that was one of the problems. Another cause was that the returning officer put a great deal of effort into encouraging people to cast their votes—my area had its highest ever turnout, particularly among young people who had never voted before. Another cause was the enthusiasm of people in Hackney to vote Labour.

I wish to stress that in a democracy the state has a very basic responsibility to allow people to cast their vote. These people did not come along at 9.50 pm; they had been queuing since 9 o'clock, but when 10 o'clock struck they were told that they could not cast their vote because they did not have a ballot paper in their hand. All I am saying is that this matter caused great concern in Hackney and it was very demoralising, particularly for people casting their vote for the first time. Voting is a fundamental right, and it is a fundamental duty of Government to allow people who want to vote, and who have come out in good time, to vote. We all saw last year's American elections, where very long queues of young people wanted to vote for Barack Obama. A system was put in place that allowed people who were in a queue to vote: once the point where the queue was stopping had been marked, everybody in that queue was able to vote, even if that took hours. I do not see why we cannot have a similar system here in the United Kingdom.

Chris Bryant: My hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott) has exposed the problem: we do not really know the extent of the difficulties that voters had in this year's general election. We are all deeply moved to see people voting in South Africa; they queued not just for a couple of hours, but for days when they first had the opportunity to vote. We felt moved when we saw people in the United States of America queuing to vote and we are moved when we see people in Poland, or people in other parts of the world who have not always enjoyed democratic rights, queuing to vote. So it is a bit depressing when the view that other countries had of our election night was of people queuing and not being allowed to vote. That is the simple point that Labour Members are trying to rectify by way of this amendment.

I had presumed, because the Liberal Democrat leader, the Deputy Prime Minister, said that this was something that should never happen again in our democracy, that he was going to deal with the matter rather more swiftly. The referendum will coincide with other ballots, as my hon. Friends the Members for Foyle (Mark Durkan) and for Hackney North and Stoke Newington have said. The Minister wants these combined polls next May—I would prefer not to have them—and it is therefore all the more important that we have a specific provision to deal with this matter.

If the amendment does not contain the right wording, I would be quite happy for the Minister to come back on Report and provide us with an amendment to our amendment. That is the advantage of this process, in which we debate constitutional Bills on the Floor of the House like this. That might also speed up his officials. I offer him this possibility in comradely spirit. If he were to support the amendment so that it were carried, that would spur on his officials to provide an answer to the problem before we reach the Report stage. I will, therefore, press the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 224, Noes 345.

Division No. 82] **[10.25 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Clark, Katy
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Long, Naomi

Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Stephen Pound and Mark Tami

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte

Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Paisley, Ian
Parish, Neil
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Mark Hunter

Question accordingly negatived.

Amendment made: 172, page 46, line 44, leave out 'election' and insert 'referendum'.—*(Mr Harper.)*

Iain Stewart (Milton Keynes South) (Con): I beg to move amendment 153, page 48, line 29, leave out 'may' and insert 'must'.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): With this it will be convenient to discuss amendment 154, page 48, line 32, at end insert—

'(4A) If the difference between the total number of votes cast in the referendum in the country in favour of the answer "Yes" and the total number of votes cast in the referendum in the country in favour of the answer "No" is fewer than 10,000 or 0.1 per cent. of the total number of votes cast, whichever is the smaller number, the Chief Counting Officer must give a direction to regional counting officers to have all the votes in their region re-counted.'.

Iain Stewart: My hon. Friend the Member for Epping Forest (Mrs Laing) and I have tabled the amendments to seek clarification from the Minister about the provisions for a recount at national level in the event of a tight overall result. Although I am satisfied with the provisions in the Bill for counting in each voting area, or for a recount in each voting area, just as there are provisions at a general election count for a recount in each constituency—*[Interruption.]*

The First Deputy Chairman: Order. Will the Committee please settle down? I am finding it very difficult to hear Mr Stewart.

Iain Stewart: Thank you, Mr Evans.

There are adequate provisions in the Bill for a recount mechanism at individual voting area level, just as at a general election count an agent or a candidate may call for a recount if the result is tight or there is some other doubt as to the accuracy of the count. However, if my reading of the Bill is correct, there is no such provision for a recount at national level and I am very concerned about that omission.

Counts in individual voting areas will be carried out in ignorance of what is happening in other counting areas. The Welsh devolution referendum of 1997 offers examples of where the problems may lie. Members may recall that the result of the referendum was very close. Of more than 1.1 million votes cast, the winning majority for the yes campaign was about 7,000 and there were approximately 4,000 spoilt ballot papers, so the result was on a knife edge.

It does not follow, however, that each area voted with the same margin of result; there were huge disparities between the counts in areas throughout Wales. In Rhondda,

for example, which the shadow Minister may have some affection for and knowledge of, there was a large yes vote—a 15,000 majority for the yes campaign. Had that been at a general election, no candidate would have questioned it.

Chris Bryant: May I correct a mis-impression that is often given by Conservatives about the Rhondda? It was not actually in the Rhondda. The only result the hon. Gentleman can know about was for Rhondda Cynon Taff, which includes the whole county area. His Prime Minister has regularly said that there is a Conservative councillor in the Rhondda. There is not. There is, however, one in Rhondda Cynon Taff.

Iain Stewart: I stand corrected. I was using Rhondda as shorthand, in view of the late hour, but that does not undermine my point. The majority was clear in that counting area and had it been a general election no candidate would have challenged the result and called for a recount. However, in an authority close by—Vale of Glamorgan—there was a similar large majority for the no campaign, of 14,000 or thereabouts. There, too, no candidate would have chosen to call for a recount, but when we aggregate the two results, as happened throughout Wales, the result was very close overall. As far as I can tell, the Bill includes no provision for either the yes or no campaign to call for a recount in that eventuality.

Amendment 154 would establish a mechanism for calling a recount, and I invite the Minister to give some clarification as to whether my interpretation of the Bill is correct. Would the proposed mechanism be the most appropriate way to rectify the measure or would the Government care to suggest some other means?

Amendment 153 would provide for the chief counting officer to direct a recount. I am a little concerned about the wording in paragraph 42, which states:

"The Regional Counting Officer or Chief Counting Officer may give a direction under paragraph (3)(a) only if the officer thinks that there is reason to doubt the accuracy of the counting of the votes."

I am not satisfied with the term "thinks that there is", and I would be grateful if the Minister clarified the circumstances in which the chief counting officer should be compelled to call for a recount if he believes that there is some doubt about the accuracy of the count.

10.45 pm

Mr Cash: I am intrigued by the proposals. The first of the two amendments—amendment 153—deals emphatically with an important question of administrative law. Under paragraph 42(3)(a), the regional counting officer or chief counting officer has a permissive power to give a direction. Importantly, sub-paragraph (3) says:

"The Regional Counting Officer or Chief Counting Officer must then either—

(a) direct the counting officer to have the votes re-counted, or"

this is the crucial proposal—

"(b) direct the counting officer to make the certification under section 128(5) of the 2000 Act."

From paragraph 42(4), it is clear that the Government's intention is that the provision should be permissive only. I pay tribute to my hon. Friends the Members for Milton Keynes South (Iain Stewart), and for Epping Forest (Mrs Laing), for insisting that the provision be not permissive but mandatory. That would put the whole question of the administrative arrangements for such a proposal on a compulsory footing, and that, when applied to the Bill, makes a significant difference. If the provision were merely permissive, almost anything could happen, but if it were compulsory, the regional counting officer or chief counting officer would be under a legal obligation to give a direction under paragraph (3)(a)

"if the officer thinks that there is reason to doubt the accuracy of the counting of the votes in the counting officer's voting area."

There will be enormous difficulty and ambiguity if that is done purely on a permissive footing, so I strongly recommend that the Government accept the proposal of my hon. Friends, who insist that the provision be made compulsory.

Under paragraph 42(5), there is a compulsory requirement, in that

"A counting officer who is given a direction under paragraph (3)(a) must—

(a) begin the re-count as soon as practicable, and

(b) if the officer does not begin the re-count immediately, notify the counting agents of the time and place at which it will take place."

The most extraordinary situation would arise if, under sub-paragraph (5), action was compulsory, while under sub-paragraph (4) it was only permissive. I make the point strongly that a compulsory requirement, enforceable by law, seems the right way to proceed. However, all that would arise

"only if the officer thinks that there is reason to doubt the accuracy of the counting of the votes".

As is well known, the question is not simply whether the provisions should be permissive or compulsory. We then move on to the question of what is in the mind of the officer.

How are we to establish what the officer thinks there is a reason to doubt? After all, if we are asking in legislation for a potential judicial interpretation—a compulsory requirement to depend upon what somebody thinks—how, short of bringing in the shrink, can we determine whether the person thought that or not? We are faced with an extraordinary situation, which is not uncommon in certain kinds of legislation, where the issue ultimately turns on what is going on in the mind of an official.

Mr David Nuttall (Bury North) (Con): Is not the problem the fact that the Bill gives no guidance as to what matters should be in the mind of the returning officer when he comes to his decision? He is given no guidance as to what matters should be taken into account.

Mr Cash: I am grateful to my hon. Friend for that extremely intelligent and useful intervention, which demonstrates the very point that I am making. If we do not establish criteria, there is nothing by which the court, in a judicial action in administrative law, would be able to judge what was going on in the official's mind. Is it to be merely a matter of opinion or is it to be a matter of judgment by certain criteria?

I notice that those on the Front Bench are watching me with some interest. I have been watching them with

[Mr Cash]

much interest throughout the proceedings as we were moving towards clause 6, but we were not getting there, so we will have to see.

I am sure my hon. Friend and others want more elucidation on the point. We get used to the fact that some legislation states "where, in the opinion of a Minister" and subsequently says that the proceedings shall not be challenged in any legal proceedings whatsoever. That occurs in another interesting and somewhat controversial Bill, the Fixed-term Parliaments Bill, which I do not need to go into today because we will have plenty of opportunity to examine it on another occasion.

If the provision merely states that if the officer thinks there is a reason to doubt the accuracy of the counting of the votes in the counting officer's voting area, and does not say "in the opinion of", we are using different language from the language that the courts are used to in administrative legal challenges, which is the precise wording, well established in the courts and in administrative law, "if, in the opinion of the officer, there is a reason to doubt the accuracy of the counting of the votes".

As my hon. Friend the Member for Milton Keynes South made clear at the beginning, this is a matter of great importance when there is a knife-edge vote. He mentioned the experience of the hon. Member for Rhondda (Chris Bryant) in relation to elections. We must bear it in mind that the Bill is not just about an election. It is about a referendum with a range of percentages that may be applied as a result of the threshold provisions. Those will become highly controversial in the context of clause 6, which we will reach later on—much later on.

Mr Nuttall: When one is considering whether a recount should be requested, one must take account not just of the number of votes, but of the manner in which the election process has taken place.

Mr Cash: I greatly admire my hon. Friend's perspicacity. He puts his finger on an important point—the context in which these events take place. This is about whether or not, in relation to a matter of such importance as the issue of alternative vote, we end up with a decision which could be on a knife-edge and which is decided merely on the basis of what an officer thinks.

I do not know about hon. Gentlemen in the Committee at large, but sometimes I do not have that much faith in bureaucratic thinking; in fact, I have a strong aversion to it. But if the measure were to say, "In the opinion of the officer," we would at least know that we were on what I would describe as generally understood judicial ground. The measure does not provide for that, however; it provides for the question of what is in his mind, not his opinion, and there is a very big and important distinction to be drawn between those two things. My hon. Friend is entirely right in believing that there ought to be a context and some criteria.

Furthermore, the measure includes the wording,

"if the officer thinks"

whatever that means—

"that there is reason to doubt the accuracy of the counting of the votes in the counting officer's voting area".

What is or is not reasonable is, again, a question that the courts are well used to determining. There is a whole stream of case law, which I am quite capable of spending some time describing, on the question of what is or is not reasonable, and for that matter what is or is not practicable. I am afraid to say, however, that when the Bill simply states,

"only if the officer thinks that there is reason to doubt",

it applies yet another spurious objective test, which is actually highly subjective, and that is not the way to legislate.

We want clarity and impartiality, and to be sure that, if there is a knife-edge vote, there will not be some unfortunate mistake in the mind of the officer—and I shall make no mistake whatever about what I say this evening.

Philip Davies (Shipley) (Con): My hon. Friend is making a very compelling case, as usual. Does he not agree that this is an open and shut case? Owing to the way in which the measure is worded, if the chief counting officer, or the regional counting officer, thinks that there is a reason to doubt the accuracy of the count, he "may" give a direction for a recount. Surely, if a returning officer has reason to believe that the count is not accurate, it is an open and shut case. Surely, it is the duty of the returning officer that they must order a recount in those circumstances.

Mr Cash: Absolutely. My hon. Friend, with again the greatest perspicacity and accuracy, has put his finger on the complete absurdity of the Government's chosen language. Let us be quite serious for a moment—I am trying to be serious the whole time—because the fact is that in legislation of this importance, and in the circumstances of a knife-edge vote, we are allowing a situation in which, if the counting officer "thinks" that there is a reason, he only sort of has to think about whether or not he might or he might not decide to order a recount. However, as my hon. Friend says, it is absolutely crystal clear in the circumstances to which he refers that it is not possible for the officer to give a direction other than on a mandatory basis, which is what "must" actually means.

Philip Davies: I obviously agree, but does my hon. Friend agree that his proposal would actually benefit counting officers and returning officers? In a situation where people have been up late at night, they are tired and it is not clear whether people want to have a recount, making the position abundantly clear in the legislation would be of great help to a returning officer, who would then not be under any pressure not to undertake a recount.

Mr Cash: Given the seriousness of the situation that we face this evening, for example, it would be intolerable to keep people up late for no useful purpose. That is precisely why I am making these very useful comments—to ensure that what happens is in line with the proper principles of administrative law.

On the next provision, which is amendment 154, there are a number of other extremely important matters that are of grave concern. That is so important that hon. Members have devised a special provision—not

merely an amendment of the kind that I have described but the very well-thought-out separate paragraph (4A), which says:

"If the difference between the total number of votes cast in the referendum in the country in favour of the answer "Yes" and the total number of votes cast in the referendum in the country in favour of the answer "No"—

this is crucially important—

"is fewer than 10,000"—

11 pm

Debate interrupted (Programme Order, 12 October).

The Chair put forthwith the Question already proposed from the Chair (Standing Order No. 83D). That the amendment be made.

Amendment negatived.

The Chair then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Amendment proposed: 353, page 49, line 15, at end insert—

'(aa) certify as respects the votes cast in each parliamentary constituency within his area—

(i) the number of ballot papers counted by him in that parliamentary constituency; and

(ii) the number of votes cast in favour and against to the question asked in the referendum.'—*(Chris Bryant.)*

Question put That the amendment be made.

The Committee divided: Ayes 223, Noes 344.

Division No. 83] **[11.01 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Caton, Martin
Clark, Katy
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm

Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Stephen Pound and
Mr David Hamilton

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber

Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and Mark Hunter

Question accordingly negatived.

Amendments made: 279, page 50, leave out lines 34 and 35 and insert 'relevant registration officer'.

280, page 51, line 11, at end insert—

'(3) For the purposes of paragraph (1) the relevant registration officer is—

(a) the registration officer of the local authority in whose area the counting officer's voting area is situated, or

(b) if the voting area comprises any part of the area of more than one local authority, the registration officer of the local authority in whose area the greater or greatest (as the case may be) number of electors is registered.

In this paragraph "local authority" has the same meaning as in paragraph 2A of Schedule 1.'.

281, page 54, line 9, after 'for' insert 'United Kingdom'.

282, page 54, leave out line 10.

232, page 54, leave out lines 11 to 14 and insert—

'At present, the UK uses the "first past the post" system to elect MPs to the House of Commons. Should the "alternative vote" system be used instead?'.

283, page 54, line 14, at end insert—

'Vote (X) in one box only.'.

284, page 54, line 20, after 'for' insert 'United Kingdom'.

285, page 54, line 26, at end insert—

'The official mark may be printed on either the front or the back of the ballot paper if it does not consist of or include any letters or numbers; if it does, it must be printed on the back of the ballot paper.'.

286, page 55, line 1, after 'for' insert 'United Kingdom'.

287, page 55, line 3, leave out 'once' and insert 'in one box'.

288, page 55, line 5, leave out from 'question' to end of line 7.

289, page 55, line 10, after 'for' insert 'United Kingdom'.

290, page 55, line 19, after 'for' insert 'United Kingdom'.

291, page 55, line 20, leave out 'once' and insert 'in one box'.

292, page 55, line 21, leave out paragraph 7 and insert—

'The words mentioned in paragraph 6(a) must be printed in bold characters.

The words on the front of the ballot paper indicating the alternative forms of answer to the referendum question must be printed in bold capital letters.'.

293, page 55, line 29, leave out 'question' and insert

'the direction "Vote (X) in one box only"'.

294, page 57, line 15, leave out 'once' and insert 'in one box'.

295, page 58, line 32, leave out 'once' and insert 'in one box'.

296, page 60, line 7, leave out 'ONCE' and insert 'in ONE box'.

297, page 63, line 17, leave out 'ONCE' and insert 'in ONE box'.

298, page 67, line 9, leave out 'once' and insert 'in one box'.

299, page 67, line 14, at end insert

'so please ignore this poll card'.

300, page 67, line 24, leave out from beginning to the end of line 36 on page 68.

301, page 70, line 16, leave out from beginning to the end of line 9 on page 72.

302, page 73, line 2, at end insert—

'Referendum on the voting system for United Kingdom parliamentary elections'.

303, page 73, line 7, leave out 'once' and insert 'in one box'.

304, page 73, line 16, after 'for' insert 'United Kingdom'.—*(Mr Harper.)*

Schedule 2, as amended, agreed to.

The First Deputy Chairman: We now come to schedule 3.

Mr Chope: On a point of order, Mr Evans.

The First Deputy Chairman: Does this relate directly to schedule 3, Mr Chope?

Mr Chope: Yes, it does. Under the motion of the House, schedules 3 and 4, clause 4, schedule 5, and clauses 5 and 6 were to be debated this evening before 11pm. We now know that there is no time for debate on any of those parts of the Bill. May I refer you, Mr Evans, to the undertaking given by the Parliamentary Secretary when he addressed the House—

The First Deputy Chairman: Order. We are not starting a debate on this. I am required by the rules of the House to put each of the amendments formally, and that is exactly what I am going to do.

Schedule 3

ABSENT VOTING IN THE REFERENDUM

Amendments made: 173, page 76, line 14, leave out sub-paragraph (9).

Amendment 174, page 77, line 47, at end insert—

'(9) The record kept under sub-paragraph (8) must be retained by the registration officer for the period of twelve months beginning with the date of the poll for the referendum.'.

Amendment 175, page 83, line 12, at end insert—

'(11) The record kept under sub-paragraph (10) must be retained by the registration officer for the period of twelve months beginning with the date of the poll for referendum.'.

Amendment 176, page 83, line 28, leave out '(subject to any conditions prescribed by the relevant regulations)'.

Amendment 177, page 85, line 18, leave out sub-paragraph (8).

Amendment 305, page 92, line 13, after 'FOR' insert 'UNITED KINGDOM'.—*(Mr Harper.)*

Schedule 3, as amended, agreed to.

Schedule 4

APPLICATION TO THE REFERENDUM OF EXISTING PROVISIONS

Amendments made: 178, page 93, line 28, leave out '(subject to sub-paragraph (4)(b))'.

Amendment 179, page 93, line 32, leave out sub-paragraphs (4) and (5).

Amendment 180, page 94, leave out lines 7 to 27.

Amendment 181, page 94, line 38, leave out 'for "this Part" substitute' and insert 'after "this Part" insert'.

Amendment 182, page 100, leave out lines 4 and 5 and insert—

'In subsection (4), for the words after "whatever means" substitute — "and the reference to a forecast as to the result of the referendum includes a reference to a forecast as to the number or proportion of votes expected to be cast for each answer to the referendum question in any region, voting area or other area."'.

Amendment 183, page 100, line 17, leave out '1(5)' and insert '1B'.

Amendment 306, page 100, line 24, leave out from beginning to the end of line 11 on page 101.

Amendment 307, page 101, line 31, leave out from 'a' to end of line 41 and insert

'counting officer or Regional Counting Officer under paragraph 2A of Schedule 1 to the Parliamentary Voting System and Constituencies Act 2010.'.

Amendment 308, page 104, line 9, leave out 'once' insert 'in one box'.

Amendment 184, page 104, line 16, at end insert—

'In subsection (7)— (a) for "returning officer as a parliamentary election or a local government election" substitute "counting officer"; (b) for "the election" substitute "the referendum".

In subsection (9), for "returning officer" substitute "counting officer".'.

Amendment 185, page 104, line 29, at end insert—

'1A (1) In relation to England and Wales, section 13B of the 1983 Act has effect for the purposes of the referendum as if a reference to an election to which that section applies included a reference to the referendum.

(2) In relation to Northern Ireland, section 13BA of the 1983 Act has effect for the purposes of the referendum as if—

(a) a reference to an election to which that section applies included a reference to the referendum,

(b) a reference to the final nomination day included a reference to the eleventh day before the date of the poll for the referendum,

(c) a reference in subsection (4) to an election included a reference to the referendum, and

(d) subsection (4)(b) referred also to the postal voters list or list of proxies kept for the referendum under paragraph 16(2) or (3) of Schedule 3.

(3) A reference in any enactment to section 13B or 13BA of the 1983 Act includes (where the context allows) a reference to that section as modified by this paragraph.

(4) Sub-paragraph (3) has effect, in relation to any register, until the first publication after the referendum of a revised version of the register under section 13 of the 1983 Act.

1B In sections 173 and 173A of the 1983 Act (which relate to incapacities where a person has been convicted of a corrupt or illegal practice) a reference to a person convicted of a corrupt or illegal practice includes a reference to a person convicted of such a practice under a provision of the 1983 Act applied by paragraph 1.'.

Amendment 309, page 104, leave out line 31 and insert—

'OTHER ACTS

Political Parties, Elections and Referendums Act 2000

Section 6A(4) of the 2000 Act (meaning of "relevant counting officer") applies for the purposes of the referendum as if for paragraphs (a) and (b) there were substituted "in accordance with paragraph 1A of Schedule 1 to the Parliamentary Voting System and Constituencies Act 2010."

Section 9C of the 2000 Act (provision of information about expenditure) applies for the purposes of the referendum as if for the words in subsection (2)(c) after "in connection with" there were substituted "the referendum under section 1 of the Parliamentary Voting System and Constituencies Act 2010."

Section 128 of the 2000 Act (counting officers etc for referendums) applies for the purposes of the referendum as if—

(a) subsections (3), (4), (8) and (9)(b) were omitted;

(b) in subsection (5), for "the area for which he is appointed" there were substituted "the voting area for which he acts";

(c) in subsection (9), for paragraph (a) there were substituted—

"(a) "voting area" has the meaning given by section 5(2) of the Parliamentary Voting System and Constituencies Act 2010;".

Electoral Administration Act 2006'.

Amendment 186, page 105, line 12, leave out '(subject to sub-paragraph (4)(c), (d), (e) and (g))'.

Amendment 187, page 105, line 16, leave out sub-paragraph (4).

Amendment 310, page 111, line 23, leave out 'the relevant area' and insert

'any voting area or part of a voting area'.

Amendment 311, page 112, line 44, leave out 'the relevant area' and insert

'any voting area or part of a voting area'.

Amendment 188, in schedule 4, page 113, leave out lines 12 to 24 and insert—

> '"(1) In this regulation "personal identifiers record" means a record kept by a registration officer in pursuance of—
>
> (a) paragraph 3(9) or 7(12) of Schedule 4 to the Representation of the People Act 2000 in relation to persons entitled to vote in the referendum,
>
> (b) paragraph 3(9) or 7(13) of Schedule 2 to the European Parliamentary Elections Regulations 2004 in relation to peers entitled to vote in the referendum, or
>
> (c) paragraph 4(8) or 8(10) of Schedule 3 to the Parliamentary Voting System and Constituencies Act 2010."
>
> In paragraph (3), for sub-paragraph (a) substitute—
>
> "(a) any agent attending proceedings on receipt of postal ballot papers, in accordance with regulation 85A(4) or 85B(3)(a).'".

Amendment 189, page 116, line 27, leave out '38' and insert '39'.

Amendment 190, page 116, line 37, leave out '37(1)' and insert '37(4)'.

Amendment 312, page 117, line 5, leave out from beginning to 'appointed' in line 7 and insert 'relevant registration officer'.

Amendment 191, page 117, line 9, leave out '48' and insert '49'.

Amendment 313, page 117, line 21, leave out from 'paragraph' to end of line 24 and insert

'relevant registration officer' has the meaning given by rule 49(3) of the referendum rules.'.

Amendment 314, page 118, column 2, leave out lines 38 to 41.

Amendment 315, page 119, line 3, leave out 'the' and insert 'a'.

Amendment 316, page 119, line 4, leave out 'the' and insert 'each relevant'.

Amendment 317, page 119, line 17, leave out 'regulation "relevant' and insert—

> 'regulation—
>
> "relevant counting officer" in relation to a registration officer—
>
> (a) means a counting officer for a voting area that is the same as, or falls wholly or partly within, the registration officer's registration area, but
>
> (b) does not include a counting officer who is the same individual as the registration officer.
>
> "relevant".

318, page 120, column 2, leave out lines 15 to 18.

Amendment 319, page 120, line 20, leave out 'the' and insert 'a'.

Amendment 320, page 120, line 21, leave out 'the' and insert 'each relevant'.

Amendment 321, page 120, line 34, leave out 'regulation "relevant' and insert—

> 'regulation—
>
> "relevant counting officer" in relation to a registration officer—
>
> (c) means a counting officer for a voting area that is the same as, or falls wholly or partly within, the registration officer's registration area, but
>
> (d) does not include a counting officer who is the same individual as the registration officer.
>
> "relevant".

Amendment 322, page 122, line 5, leave out 'are to a registration officer mentioned in rule 49(1)(a)' and insert

'have the meaning given by rule 49(3)'.

Amendment 323, page 123, line 42, at end insert 'UNITED KINGDOM'.

Amendment 192, page 124, line 17, leave out '(subject to sub-paragraph (4)(b))'.

Amendment 193, page 124, line 21, leave out sub-paragraph (4).

Amendment 194, in schedule 4, page 128, line 43, at end insert—

> 'In paragraph (5), for "a particular election" substitute "the referendum".'.

Amendment 195, page 131, line 12, leave out '39(4)' and insert '39(4)(b) and (5)'.

Amendment 324, page 132, line 34, at end insert 'UNITED KINGDOM'.—*(Mr Harper.)*

Schedule 4, as amended, agreed to.

Clause 4

CONTROL OF LOANS ETC TO PERMITTED PARTICIPANTS

Amendments made: 158, page 3, line 13, after '5(2)' insert 'or (6) or 6(3)'.

Amendment 159, page 3, line 16, after '5(2)' insert 'or (6)'.

Amendment 160, page 3, line 29, leave out 'if for' and insert 'if—

(a) paragraph (d) of paragraph 2(1) were omitted, together with paragraph 2(3)(a), the words "the loan or" in paragraphs 2(3) and 5(4)(a), the words "(d) or" in paragraph 5(4), and paragraph 5(4)(a)(i);

(b) for'.—*(Mr Harper.)*

Clause 4, as amended, ordered to stand part of the Bill.

Schedule 5

CONTROL OF LOANS ETC TO PERMITTED PARTICIPANTS

Amendments made: 196, page 136, line 38, leave out 'or the responsible person'.

Amendment 197, page 136, line 44, leave out 'or the responsible person'.—*(Mr Harper.)*

Schedule 5, as amended, agreed to.

Clause 5

INTERPRETATIONS

Amendments made: 325, page 4, line 4, leave out paragraphs (a) and (b) and insert

'has the meaning given by paragraph 1A of Schedule 1;'.

Amendment 161, page 4, line 8, at end insert—

'"enactment" includes

(a) any provision of an Act,

(b) any provision of, or of any instrument made under, an Act of the Scottish Parliament,

(c) any provision of, or of any instrument made under, Northern Ireland legislation, and

(d) any provision of subordinate legislation (within the meaning of the Interpretation Act 1978);'.

Amendment 326, page 4, leave out lines 19 to 22 and insert—

'(2) Each of the following, as it exists on the day of the referendum, is a "voting area" for the purposes of this Part

(a) a district in England for which there is a district council;

(b) a county in England in which there are no districts with councils;

(c) a London borough;

(d) the City of London (including the Inner and Middle Temples);

(e) the Isles of Scilly;

(f) a constituency for the National Assembly for Wales;

(g) a constituency for the Scottish Parliament;

(h) Northern Ireland.'. (*Mr Harper.*)

Clause 5, as amended, ordered to stand part of the Bill.

The First Deputy Chairman: We now come to clause 6.

Mrs Eleanor Laing (Epping Forest) (Con): On a point of order, Mr Evans. On clause 6, the Minister indicated to the Committee earlier that he intends to adopt amendment 3, which stands in my name, as a Government amendment, so that it can be voted upon at this stage in the proceedings. I have made no objection to the Minister's suggestion, because it is the Government's right to have a vote if they so wish, and I have every confidence that, in whatever circumstances, the Government would win the vote on that amendment and the other amendments in the group. I have no objection to there being a vote. However, the Committee must take note that it is not the vote that matters, but the fact that seven amendments have not been discussed. My purpose in tabling amendment 3 was not to win a vote or to change the Government's mind, but to ensure that the Committee had an opportunity to discuss the very important issue of thresholds in the forthcoming referendum.

Mr David Davis (Haltemprice and Howden) (Con): Further to that point of order, Mr Evans. Two things arise from that point of order. First, it is normally the convention in this House that the vote follows the voice, so if the Government adopt amendment 3, does that mean that they will support it? Secondly, I hope that what is proposed is not a mechanism to meet the letter but not the spirit of the Government's undertaking that all important elements of the Bill will be debated seriously. The threshold for the referendum to be carried is the most important component of the Bill, so we need to know from the Government whether they intend to provide us with time to debate it properly at a later stage.

Mr Cash: Further to that point of order, Mr Evans. I completely endorse what my right hon. Friend has just said, because I, too, have an amendment down in my name and that of several other hon. Members—amendment 45—but we have had no opportunity to discuss it. In the light of the proposal for the Government to adopt amendment 3, merely for the sake of a vote, but without discussion, I would strongly presume—indeed, hope—that there would be an opportunity to debate the matter properly on Report. There are other amendments affected, such as amendments 45 and 64, standing in the name of my hon. Friend the Member for Christchurch (Mr Chope), so what is proposed would be completely inappropriate, in light of the fact that, for example, the threshold for the Scottish devolution arrangements in 1979 led to a substantial constitutional crisis. I would therefore simply ask you, Mr Evans, to ensure that the Government are made well aware of our wish to have a proper debate on the matter on Report.

Several hon. Members *rose*—

The First Deputy Chairman: Order. I intend to call Mr Chope, Mr Bryant and the Minister, and then that is it, and we will have fully exhausted the point of order.

Mr Chope: Further to that point of order, Mr Evans. In discussing the programme motion on 12 October, the Parliamentary Secretary said that

"we have taken steps...in the programme motion"

to ensure that

"the House will be able to debate and vote on the key issues raised by the Bill." [*Official Report*, 12 October 2010; Vol. 516, c. 183.]

On Second Reading he also made it quite clear that we would have the opportunity to debate and vote on the key issues. Nobody is suggesting that the threshold is anything other than a key issue in the Bill. Even at this late stage, it is open to the Minister to tell the Committee that he will come forward tomorrow with an amendment to the programme order to ensure that we can start the business tomorrow with a debate on clause 6, rather than closing down debate on that clause, which seems to be the Government's intent. I should also point out that unless we have a debate, it will not be possible for the Committee to take a view on the relative merits of amendment 3 as compared with my amendments 64, 65 and 66. In the European debate the other night the Chair was able to decide which amendments were more worthy of being put to the vote on the basis of the debate. Without a debate, we will not be able to do that.

Chris Bryant: Further to that point of order, Mr Evans. Several hon. Members have made the point this evening that there has not been time to debate significant elements of the Bill. In addition, the Government have today tabled 100 pages of amendments to the Bill, which they have proposed we debate next Monday, but they have already said that those amendments are incorrect and will have to be superseded by further amendments. At the moment, only two days are provided for Report. I would therefore ask the Government to consider providing a third day on Report, so that the issues can be fully

debated. Otherwise, I am sure that their lordships would want to spend a considerable period of time looking at the legislation properly. Finally, the right hon. Member for Haltemprice and Howden (Mr Davis) rightly pointed out that votes normally follow voices in this House. That is to say that Members who shout aye have to vote aye, and if the Minister is going to shout aye in a moment, he should be voting in the Aye Lobby.

Mr Harper: Further to that point of order, Mr Evans. If the hon. Member for Rhondda genuinely thought that this was the most important part of the Bill, he should have thought about that when he moved some of his less important amendments today. That was a time-wasting exercise and nothing else.

I gave a clear commitment on Second Reading that the Government would do everything within their power to ensure that we had a debate and a vote on all the key issues of the Bill. We provided extra time in the programme motion last week. Reaching a point in the debate, of course, requires Members to exercise some discipline, which they were incapable of doing today. What is left within my power is to propose amendment 3 to enable the Committee to vote on it, but I ask my colleagues to vote against it. I want to facilitate the opportunity for this Committee to vote.

The First Deputy Chairman: I have listened carefully to the several points of order that Members have made. What the Government propose is orderly under Standing Order No. 83D(2), although it is, as some hon. Members have observed, somewhat unusual. I am sure that hon. Members will also have noted the opportunities open to them, as has been remarked, on Report. I should just remind Members of the rule on voice and vote. It is possible to vote against one's own amendment, but one cannot shout "Aye" and then vote "No". We now move on to clause 6.

Clause 6

COMMENCEMENT OR REPEAL OF AMENDING PROVISIONS

Amendment proposed: 3, page 4, line 28, after "'No"', insert

'and the number of electors casting a vote in the referendum is equal to or greater than fifty per cent. of those entitled to cast such a vote.'.—*(Mr Harper.)*

Question put, That the amendment be made.

Question negatived.

Mr Chope: On a point of order, Mr Evans.

The First Deputy Chairman: Order. It is getting very late and I suspect that Members will now wish to see the conclusion of our proceedings.

Clause 6 ordered to stand part of the Bill.

The occupant of the Chair left the Chair (Programme Order, 12 October).

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Education Psychology

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Dunne.)*

11.28 pm

Annette Brooke (Mid Dorset and North Poole) (LD): I have taken an interest over a long time in the provision of education psychology services, as I am very much aware that long waiting times for assessment can have an impact on the rest of a child's life. I am delighted that the Government are undertaking a review into special educational needs, but deeply concerned that the training of educational psychologists appears to have been put on hold while the review takes place. I shall return to this point in more detail later, but emphasise now that educational psychologists will be needed to help to deliver the Government's agenda to improve educational outcomes for children with special educational needs and to assist with early intervention—another area being reviewed, which again I wholeheartedly applaud.

Clearly, educational psychologists have a crucial role to play. They use evidence-based psychology to help children make the most of learning opportunities in schools. They solve educational social problems and problems arising from children's differing needs through the application of psychology. They work not only with a proportion of the school and pre-school population, but also more widely with groups of parents and pupils. Examples of differing needs include visual and hearing impairments, cerebral palsy, autism, dyspraxia, dyslexia, social and emotional difficulties, and many more.

Educational psychologists play a key part in helping to shape how educational settings approach a vast range of education issues through statutory and non-statutory work, including on curriculum development, generalised and complex special educational needs, support for the gifted and talented, behaviour management, and delivery of early-years provision. They hold a recognised qualification in educational psychology—previously a masters degree and now a doctorate—and must be registered with the Health Professions Council. The benefits that they bring include knowledge of child development, which is all important because so many teachers go through training without much emphasis on that, although I know that that is being remedied. They provide early diagnosis and intervention, which is particularly important in the context of conditions such as autism, both for children who need ongoing assistance at school and at home, as well as for high-need children, particularly those from disadvantaged backgrounds. They also provide diagnostic advice and support. Understanding a child's needs and providing a tailored support package to assist them is crucial to their development. A key role of educational psychologists is to advise and support teachers who would otherwise need to perform that diagnostic role.

Educational psychologists are responsive to local need. They work across the full range of educational settings and are well positioned in local authorities to identify and analyse trends across localities, and to implement strategies to address local need accordingly. They conduct a wide range of interventions, including help with emergency planning, critical incident support, support for fostering and adoption, advice on adapting curriculum and buildings for disability, and reviewing and monitoring children

[Annette Brooke]

who are placed out of authority and within independent schools. Educational psychologists also play a crucial role in engaging parents and liaising between them and teachers to help to improve joined-up learning and developmental and well-being outcomes for children, not only in educational settings, but at home.

According to data from the Children's Workforce Development Council, there are approximately 2,200 practising educational psychologists in England and Wales. CWDC's 2009 work force planning exercise showed that approximately 120 new entrants to the profession are required annually to maintain a similar-sized work force and to meet current local authority demand.

The age profile of the profession is such that a sizable number of educational psychologists are approaching retirement. There is a national shortage and significant numbers of educational psychology services are carrying vacant posts. All the graduates from the training courses have found employment. In a recent parliamentary answer to me the Minister said that about 120 educational psychologists were expected to complete their training in both 2011 and 2012. That sounds encouraging, but my concerns are not allayed.

In 2006, the training changed from a one-year masters course to a three-year doctorate to acknowledge the increasing complexities within which educational psychologists work—a one-year course was inadequate to provide an appropriate level of training. That change also brought training in line with that of other professional psychologists across the UK and Europe.

In the past, funding for educational psychology training was administered by the Office of the Deputy Prime Minister, which oversaw the top slice of funds to the Local Government Association, which distributed fees to higher education institutions and salaries to trainees through local authorities. Now the CWDC oversees the funding of training. A decision was made at Government level to cease the top slice, and the sum of money previously reserved for training was distributed among the 152 local authorities, which would then subscribe to training for educational psychologists. The money collected by the CWDC would pay for the higher education institution fees and also a bursary for the trainees during the first year of their training. It is greatly feared that the anticipated Government cuts will put local authorities under massive financial pressure, and that local authorities will therefore find it much harder to fund educational psychologists, or be less willing to do so. In the current climate, what guarantee is there that those educational psychologists who, in accordance with the Minister's parliamentary answer, are expected to complete their courses in 2011 and 2012 will be able to do so?

Compounding this problem, according to the CWDC website the recruitment of educational psychologist trainees for the next academic intake has been frozen on the instruction of the Minister's own Department.

Stephen Gilbert (St Austell and Newquay) (LD): I congratulate my hon. Friend on securing this debate on such an important subject. Does she share my concern that the freeze on the training of educational psychologists from 2011 onwards risks undermining a key component of education in our country and the facilities that are in place to support it, all of which go towards ensuring that every child matters and every pupil is given the best opportunity for their own advancement? Does she also agree that the Government need to do more to ensure that training is in place for the educational psychologists of the future?

Annette Brooke: That is a very valid point. If the freeze is for just one year, for example, there will be a shortfall in the number of educational psychologists of at least 120. No guarantees are to be made regarding future provision and funding until the Green Paper is published. The website says:

> "As such the recruitment process for the 2011/2012 cohort is on hold until we have further information."

I hope that the Minister will be able to give us some further information on that.

With existing trainees possibly finding that they will not be funded for the remaining part of their courses and the freeze on the recruitment process for 2011 and 2012, there is an immediate and real danger that the university courses will be without a new cohort of trainees for 2011 or the funding that they have depended on from local authorities, and they will simply be unable to continue to function. Students who are part way through their doctorate training may not be able to complete it, and significantly fewer, if any, new educational psychologists will be qualifying and entering the work force. That will be the case in a context where the Government have made a commitment to ensuring prompt access to high-quality specialist assessment and specialist provision. Those two conflicting aspects of this situation must be reconciled.

Simon Hughes (Bermondsey and Old Southwark) (LD): I congratulate my hon. Friend on securing this debate. Does she agree that, at a time when there is significant and increasing interest in psychology as a subject for graduate university study, and therefore the prospective pool of possible employees in the field is growing rather than diminishing, the urgent conversations she calls for between Government, local education authorities and the universities need to be held? Otherwise, it might not just be a case of people not progressing in their course; we might also send out a signal that working in educational psychology with youngsters is not a good career option for those who currently want to go to university or who have just started their undergraduate studies.

Annette Brooke: I thank my hon. Friend for that intervention. I think the uncertainty that he speaks of is what is causing the greatest concern, because not being sure exactly what their professional future might be like acts as a great deterrent to people entering a profession.

Something that the Green Paper on special educational needs is likely to consider is whether educational psychologists give independent advice, as they are employed by local authorities. Psychological assessment could be provided by educational psychologists in a number of ways, be it within or outside a local authority, but the bottom line is that we will still need educational psychologists. I do not understand the freeze; I hope that we will hear some further points about that.

For the past year, there has been a considerable shortfall in the moneys collected by the CWDC from

subscriptions from local authorities. The CWDC has set up a working party to look at ways of ensuring stability and sustainability in funding. The CWDC consultant reported a number of options, with the most favoured being the reinstatement of the top-slice. The cost of training 372 new educational psychologists, with one third qualifying each year, is in the region of £9 million to £12 million per year. An option put forward by pressure groups is a move to central funding. I understand that this would be comparable to the funding arrangements for clinical psychologists who have their training funded centrally. Educational psychology is a smaller profession than clinical psychology.

Mr Philip Hollobone (Kettering) (Con): Will my hon. Friend give way?

Annette Brooke: I will, but this will have to be the last intervention, given the time.

Mr Hollobone: Has my hon. Friend received an explanation from Her Majesty's Government as to why educational psychology is being treated differently from clinical psychology? If some front-line service professionals are having guaranteed funding, why should the situation be different for educational psychologists?

Annette Brooke: I thank the hon. Gentleman for his intervention, and I hope that the Minister will be able to address that point. The funding problems are threatening numbers, and that has implications for work force levels and the ability of local authorities to deliver all statutory responsibilities for the safeguarding, well-being and education of their children and young people. If an educational psychologist's work was restricted only to statutory assessment and reactive casework in order to maintain quality of service delivery, the capacity of staff to be involved in equally vital, but non-statutory, preventive work would be reduced. That would preclude proactive work with children, teachers, all the professionals who work within children's services and parents to maximise the chances of successful outcomes from early intervention—the type of work that, in turn, might mitigate the need for such high levels of statutory assessment in the first place.

Further concerns emerged during the passage of the Academies Act 2010, particularly as insufficient time was available in the House of Commons to discuss in full certain issues pertaining to special educational needs. I tabled an amendment to try to have discussion on the subject but, unfortunately, there was no time to debate it, and that was one reason why I wanted to secure this debate. One presumes that as more schools become academies or free schools, less money will be retained by local authorities. In the past, they retained a considerable proportion of the budget allocated to schools in their area in order to pay for a variety of important services, including monitoring special educational needs provision, SEN assessment and co-ordination, and educational psychology services. There are concerns about the amount of money able to be retained by local authorities to continue to meet their statutory responsibility for all vulnerable children, both within and outside the local academies.

What guidance will the Department for Education be giving to academies and other schools with commissioning powers on the need to provide pupils and staff with access to educational psychology services? Will the Minister clarify what responsibilities local authorities will have for meeting the needs of children within academy settings? My amendment asked for monitoring and a report back on funding for SEN within three months of the enactment of the 2010 Act, one of the purposes being to pick up early signs of any problems with the local authority funding of educational services. Indeed, the Special Educational Consortium believes that the expanded academy programme must be monitored to ensure that children with SEN and disabilities do not experience further delays in accessing the services of educational psychologists. I want confirmation that funding for educational psychologists will not be delegated to academies, and I would further appreciate a commitment from the Minister that monitoring the impact of the expanding academy programme on all local authority SEN services will be a priority for the Government.

The central state funding of training is critical, given the specialisation and the relatively small size of the professional group. It is national legislation that sets the requirement for independent professional specialist assessment to adjudicate between school and parental perspectives and interests, and it is therefore a matter for the national Government to make this process possible by supplying the high-level specialist knowledge and skills to fulfil that role. Where there is a statutory requirement for assessment, the training to make it possible needs central national funding. I therefore urge the Government to look again at how educational psychology training is funded.

I also want to share with the Minister and the many hon. Members who are here tonight the importance of this topic. There is an urgent need for clarity on the arrangements that will be in place to support training in 2011. Surely the Department will not risk the supply of educational psychologists drying up. The freeze on recruitment for training is on the CDWC website for any potential educational psychologist to see. What kind of message does that send out? There is an urgent need to look again at the voluntary and unsustainable nature of current funding, to ensure that national funds are made available to train and maintain good levels of educational psychologists. The country wants and needs educational psychologists, yet the current funding arrangements and the decision to delay recruitment place the future provision of educational psychologists in serious jeopardy.

11.46 pm

The Minister of State, Department for Education (Sarah Teather): I congratulate my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) on securing today's debate on this important topic. She has campaigned tirelessly on the issue of educational psychologists and the need for adequate coverage for many years. I remember well the many times in opposition that she sought to amend just about every Bill that went through the House, to ensure that she had an opportunity to raise this issue. I understand how strongly she feels about it, and the fact that the House is so full tonight, despite the fact that it is almost 10 to midnight, is testament to the fact that Members on both sides of the House feel strongly about it, regardless of their political party.

[Sarah Teather]

My hon. Friend has shown her tireless commitment to this and to other issues relating to children with special educational needs and disability over many years, and it is therefore not surprising that *Dod's* saw fit to make her MP of the year in its recent women in public life awards for her work on children's issues. I offer her my congratulations on that.

It will not surprise my hon. Friend to hear that I share her ambition to improve education and children's services in this country, in particular for those who need more support than the rest to achieve their potential. From my conversations with parents, teachers and children's services professionals since I started this job, it has become clear to me that the complex and difficult situations that many families face can be made much more manageable if they receive the support that they need.

Educational psychologists are an extremely important part of the picture for many families in a variety of ways. They assess a child's needs in order to identify problems before they get worse. They provide individual and group therapy to children who need psychological support, and they ensure that children and families are put in touch with the right professionals if they require other services. They also provide important advice to teachers and other school staff about what more can be done to support children with additional needs in educational settings, including gifted and talented children as well as children with special educational needs. They also provide a vital role in offering more strategic advice to local authorities across a range of children's services, including fostering and adoption. I pay tribute to the work that educational psychologists do; it is absolutely vital for children and their families.

My hon. Friend has raised a number of specific issues about the operational aspects of the service, and in particular about funding and management. I shall turn to those first. She said that there are 2,200 educational psychologists in England, all of whom are trained to doctorate level. She said that there is a shortage, but in fact it seems that the work force are of probably the right size, notwithstanding the issues that she raised about future work force direction. It is a specialist service and it is demand-led, and local authorities must assess that need. As my hon. Friend said, that is undertaken by the Children's Workforce Development Council. It has developed a useful model that will help local authorities to assess capacity in relation to local demand for the service. That could be an important part of local authorities' forward planning and a good example of the more strategic role that we want local authorities to have.

Educational psychologists are employed directly by the local authority, which therefore manages the training and deployment of staff. My hon. Friend went through the history of how we got to the position we are in now. Previously, Local Government Employers administered the educational psychologists' training and clearing house scheme. However, the LGE withdrew from those arrangements and the money was distributed to local authorities.

Since 2007, the Children's Workforce Development Council has administered a funding scheme for the training of educational psychologists, to which local authorities are asked to contribute. However, I am acutely aware that the current scheme is not operating as effectively as it should be. As my hon. Friend said, contributions from local authorities have been steadily decreasing, and so far this year only 16 out of 150 local authorities have confirmed that they will be contributing, leaving a significant shortfall in funding.

That situation is not tenable. First, it leaves great uncertainty for those considering embarking on a career in the profession. Secondly, it is unfair that local authorities are not paying their share given that the money is included in local authority funding settlements. Thirdly and most importantly, as my hon. Friend outlined, we must have well-trained educational psychologists to provide for children's welfare and development, particularly for children with special educational needs. So, in the context of the Government spending review and the systemic review of special educational needs, we are reviewing current arrangements and trying to find a more sustainable solution. We have had to place a temporary freeze on recruitment until the comprehensive spending review picture is clearer in the light of the significant shortfall in funding from local authorities' contribution, but I am aware that the issue is urgent. I am very aware of the feelings expressed by Members of all parties.

Stella Creasy (Walthamstow) (Lab/Co-op): I am pleased to hear the Minister talk about the importance of supporting local authorities in supporting educational psychologists. Does she not share my concerns that some of the changes that this Government have made to the funding available to local authorities for centrally determined budgets, particularly the money that they have said has to go to academies and to free schools, will undermine authorities' ability to fund central services and to support special educational needs in schools and therefore educational psychologists?

Sarah Teather: Academies are still perfectly free to buy into the services that are provided by local authorities and in many cases they do so, particularly when they are of a high quality. They now simply have more freedom to choose how they do that.

I hope that my hon. Friend the Member for Mid Dorset and North Poole will understand that, because of the proximity of the comprehensive spending review and the work that is ongoing on the Green Paper, I am not able to say more about the outcome of the work that I have said we want to do to put funding for educational psychologists on a more sustainable footing. As I have said, we are committed to this issue and I am aware that the situation at the moment is simply not a sustainable solution. I am also clear that educational psychologists are a key part of any reformed special educational needs system. Adequate numbers of specialists will be essential, no matter what reform we choose after consultation.

It is worth my saying a few words about some of the key principles that are guiding our work on the Green Paper, because they are relevant to the debate and pick up on some of the points that my hon. Friend made. I am clear that the system is far too adversarial, with parents all too often feeling that they have to battle to get the needs of their child recognised, let alone catered for. There are some excellent examples of good practice, but unfortunately all too often there are harrowing tales of poor practice. We must get better at identifying need

early, diagnosing accurately and putting in place the right support to meet the child's and, indeed, the family's needs.

We need a more transparent system in which assessments are streamlined and easier to cope with—a system that focuses more on outcomes for the child and the family and not just on ticking boxes on a piece of paper. I want parents to have more choice and involvement in decisions about their child's education and care. Much more can and should be done to raise the attainment of children with special educational needs and disability as well as to raise expectations of achievement. Key to all those areas of reform will be educational psychologists. We need to make much better use of their skills in assessment, advising teachers and schools, and working with families and children.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Does my hon. Friend recognise the urgency of giving a clear signal that there will be training opportunities for educational psychologists, to both potential candidates and university departments?

Sarah Teather: I recognise that this issue is absolutely urgent, but my right hon. Friend will acknowledge that I am not able to say anything about this before the comprehensive spending review on Wednesday, as it is way above my pay grade. However, I am very clear that this issue is critical to the reform that I want the Government to push forward in the Green Paper, which we will publish later this year. I am sorry; I know it is very frustrating for hon. Members who want answers now. They are quite entitled to come and ask the Government about this and I am relieved that so many people feel so strongly about it, but at this stage all I can do is assure Members that it is absolutely on my agenda.

Nic Dakin (Scunthorpe) (Lab): The current freeze is giving a very unhelpful message, although the reasons for it have been explained in the debate. The hon. Member for Mid Dorset and North Poole (Annette Brooke) has pointed out the problem with the age profile and the need for a sustainable approach, and I welcome the Minister's saying that there will be an answer to the sustainability issue. She talked about an adequate number of educational psychologists: can she give us an idea of an adequate number? That would be helpful.

Sarah Teather: What is an adequate number will depend a little on the Green Paper. The role of educational psychologists might change depending on what we do with the assessment system. I would like them to play a greater role in offering therapeutic advice rather than just being used by local authorities as a gatekeeper to services, as happens all too often. Much work needs to be done with the Green Paper.

Stephen Gilbert: I want to press the Minister on the period of time in which we might expect some clarity on this issue. She has talked a lot about the Green Paper, but when might we see it? Will she commit to coming to the House and telling us about educational psychologists after that?

Sarah Teather: We hope to publish the Green Paper at some point in December. I am sorry that I cannot give a time for reform of the system around educational psychologists. All I can say is that—

11.58 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Tuesday 19 October 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Prisons (Drug Addiction Services)

1. **Amber Rudd** (Hastings and Rye) (Con): What recent discussions he has had with ministerial colleagues on drug addiction services in prisons. [17811]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): I have had discussions with Ministers in a number of Departments, including the Department of Health, the Home Office and the Cabinet Office. Those discussions have covered a range of drugs-related topics, including reforming drug addiction services in prisons.

Amber Rudd: I thank my hon. Friend for that answer. He will be aware that many prisoners struggle with choosing abstinence over methadone when they want to kick their drug habits, so what action will the Government take to encourage prisoners to take an abstinence-based regimen instead of methadone?

Mr Blunt: Our policy is that we should move towards abstinence from maintenance, but it is not the practice that we have inherited. The main programme, the integrated drug treatment system, is relatively new and based around National Treatment Agency for Substance Misuse models of care, but the effect in practice is much more about maintaining addicts safely than leading them to abstinence. However, there are very good abstinence-based programmes in prison, such as RAPt, and our goal is to challenge offenders to take responsibility for the harm that they have caused and to accept help to come off drugs. We will therefore reshape existing drug services in prisons to establish drug recovery wings that are based on abstinence, free from drugs, motivate change, support rehabilitation and, on release, link offenders into community services that can continue the progress made in prison.

Mr Bob Ainsworth (Coventry North East) (Lab): It sounds as if the Minister is going to be pretty rigid in pursuing a policy that, in some cases, will work and be wholly appropriate. In other cases, however, people will fail, and when they do so they will be a problem not just to themselves but to our communities. They will feed organised crime and return to their habits. Surely he accepts and recognises that.

Mr Blunt: Of course I accept and recognise that. That is the reality of the current position. All too many short-sentence offenders are going into prison, and occasionally they do not have a drug habit but acquire one while they are there. We are failing to rehabilitate drug addicts effectively and, indeed, to address properly alcoholics, in the community and in prison, who are under the sentence of the courts. That is why we will move to a much more output-based system, measuring people by what they achieve rather than simply measuring inputs. Of course, that is a very difficult area, and many people need more than one go—indeed, several goes—at effecting successful rehabilitation from drugs, and of course this Administration acknowledge that.

Young Offenders

2. **Laura Sandys** (South Thanet) (Con): What proportion of young offenders reoffended within one year of being released from custody in the latest period for which figures are available; and if he will make a statement. [17812]

16. **Mark Reckless** (Rochester and Strood) (Con): What proportion of young offenders reoffended within (a) one and (b) two years of being released from custody in the latest period for which figures are available. [17827]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): The latest reoffending rate for young people, those aged between 10 and 17, released from custody in England and Wales in the first quarter of 2008 is 74.3%. Reoffending rates for young people are based on whether an offender has been convicted at court or has received an out-of-court disposal for an offence in the year following release from custody.

Laura Sandys: Does the Minister agree that young offenders, when released from prison, need a more demanding and challenging set of programmes? In my constituency, the Kent Film Foundation runs a programme teaching film skills, and it has an 85% success rate in getting young offenders into work or further education, at a cost of £5,000 per course.

Mr Blunt: There are many isolated examples of really good practice all over the country, and our challenge is to systemise it so that people can learn from what works, experience the flexibility and the opportunity to implement it and deliver the output, which then effectively turns those young people away from crime.

Mark Reckless: Given the abject failure of the Youth Justice Board to reduce reoffending among our young people, what plans does the Minister have to replace it, and in particular what role does he envisage for the private and voluntary sectors in that area?

Mr Blunt: The functions of the Youth Justice Board will be taken into the Ministry of Justice, but I am not sure that I would be quite as condemnatory as my hon. Friend is about the board's record. It has achieved

success in getting youth offending teams effectively embedded within a local delivery framework, and it is now up to the Ministry of Justice and myself, as the Minister for Youth Justice, to take that work forward and take responsibility for it.

Mr David Hanson (Delyn) (Lab): Precisely how much money will the Minister save by the abolition of the Youth Justice Board? Will he ensure that that money is reinvested in front-line services to support youth offending teams? How precisely does he expect to organise youth offending teams without the oversight of the Youth Justice Board?

Mr Blunt: There will be some savings to be taken, but they will not be taken at the outset because the delivery functions of the Youth Justice Board, principally in purchasing custody for young people sent into custody by the courts, will obviously remain. I would have thought that the right hon. Gentleman remembered the system that he had, whereby one-on-one policy advice came from the Youth Justice Board and from his own policy officials in the Department. That sort of duplication will be taken away by bringing the functions of the Youth Justice Board within the Ministry of Justice.

Mr Andy Slaughter (Hammersmith) (Lab): I am glad that the Minister has not taken the opportunity to rubbish the Youth Justice Board, because the Under-Secretary of State for Justice, the hon. Member for Huntingdon (Mr Djanogly), heaped praise on it in abolishing it last week. Having praised and buried the Youth Justice Board, what does the Minister suggest takes its place? He knows that 25% falls in youth reoffending rates occurred over its first eight years. What is his strategy for continuing the excellent record of the previous Labour Government in reducing youth reoffending?

Mr Blunt: I am not entirely sure that I would be that sanctimonious about presenting the record of the last Labour Government, when we had not only the awful reoffending rates out of custody but, in relation to community penalties, 67.6% of young people reoffending within one year. That is not a record to be wildly proud of. We need to continue to embed youth offending teams in their local authority areas and ensure that there is a proper, effective delivery of local services to young people, including from the education departments of local authorities, for example, to ensure that we properly co-ordinate the effective delivery of services to young offenders within the gift of the state to ensure that they do not reoffend.

Judicial Co-operation (UK and Greece)

3. **Margot James** (Stourbridge) (Con): If he will take steps to improve co-operation between judicial systems in the UK and in Greece. [17813]

The Minister for Policing and Criminal Justice (Nick Herbert): Both the UK and Greece are party to a number of European instruments that facilitate co-operation between judicial systems within Europe. In addition, I know that my hon. Friend is taking a particular interest in the separate bilateral issue of improving the provision of locally obtained information regarding deaths of our citizens in Greece to coroners here.

Margot James: I thank the Minister for his answer. My constituent, Luke Walker, has been imprisoned on the island of Crete for over 150 days, and his defence team have been constantly frustrated by the denial of information that should rightfully be theirs. Can my right hon. Friend update the House on the progress of the working group set up between UK and Greek officials and designed to improve co-operation between the UK coroner service and the Greek authorities?

Nick Herbert: I understand that Luke Walker has been charged but that a trial date has not been set. It is of course a matter of great regret that delays are occurring in the exchange of information between the Greek authorities and coroners in England and Wales. That can only increase the distress felt by everyone involved in such cases, of which there are a number. We are working with the Foreign Office and the Greek authorities to try to improve the situation so that inquests can be concluded without further delay. The working group to which my hon. Friend refers will be able to have its first meeting to discuss these issues shortly; we are pressing for a date to be set.

Vulnerable Women (Alternatives to Custody)

4. **Julie Hilling** (Bolton West) (Lab): What steps he plans to take to provide alternatives to custody for vulnerable women in the criminal justice system. [17814]

The Minister for Policing and Criminal Justice (Nick Herbert): We are already providing effective alternatives to remands for the courts with new enhanced bail provision for women and robust community sentences supported by voluntary sector-run women's community projects.

Julie Hilling: I thank the Minister for that answer. However, will he pledge that funding for voluntary and community sector projects designed to help vulnerable women out of a life of crime and away from prison is not undermined by cuts to Ministry of Justice budgets?

Nick Herbert: I appreciate the value of such community projects. The hon. Lady will understand that I cannot make pledges on funding, not least ahead of tomorrow's spending review announcements. However, we are keen to ensure that such projects continue if they can and, in particular, that there is a role for the voluntary sector in helping to deliver them.

Tom Brake (Carshalton and Wallington) (LD): In 2007, the Corston report stated that custodial sentences for women should be reserved for serious and violent individuals who pose a threat to the public, yet 68% of women in prison are there for non-violent offences, compared with 47% of men. What more can the Government do to ensure that fewer women who are guilty of non-violent offences go to prison?

Nick Herbert: My hon. Friend may know that when the then Government broadly accepted the Corston report's recommendations, we in opposition broadly accepted them too. The female prison population rose sharply from when the previous Government took power. It had risen by 86% by 2002, although it has been

broadly static since then. It is important to provide alternatives such as community projects, particularly to help vulnerable women who do not need to be in custody, although custody must of course remain for the most serious offenders.

Helen Goodman (Bishop Auckland) (Lab): While obviously the Minister cannot anticipate tomorrow's comprehensive spending review decisions, in order to fulfil the strategy set out by Baroness Corston of reducing the number of women offenders in prison, there must be good community provision. Can he now commit to maintaining the existing provision?

Nick Herbert: I welcome the hon. Lady to her new role. We want to embed women's community projects into mainstream service provision and provide support for women at each stage of the criminal justice process, so we are devolving both budgets and contracts to directors of offender management. They are working with the probation service, which will have the lead role in sustaining successful projects. We want those projects to succeed.

Restorative Justice Pilot Schemes

5. **Elizabeth Truss** (South West Norfolk) (Con): What restorative justice pilot schemes his Department has or has recently completed in England. [17815]

The Minister for Policing and Criminal Justice (Nick Herbert): I am providing good value for the taxpayer this afternoon. *[Interruption.]* Buy one answer, get one free.

Pre-sentence restorative justice for adults was trialled as part of a Home Office crime reduction programme that ran between 2001 and 2004. A youth restorative disposal has also been piloted, allowing police officers to resolve minor first-time offences by young people using restorative techniques. We are currently ensuring that the pilot is independently evaluated.

Elizabeth Truss: The community payback scheme in Downham Market was initiated by volunteers and has proved very effective in both showing justice being done locally and delivering key community projects such as improvements to paths and car parks. What plans does the Minister have to give local communities the power to make it easier to deliver similar schemes?

Nick Herbert: I am aware of the Downham Market scheme. If sentencers and the public are to have confidence in community payback, we need to make it tougher. We need to ensure that the work done is meaningful and challenging, and that there is rigorous enforcement of community payback orders. We are also keen on ensuring that as much as possible is done, like in Downham Market, to encourage members of the community to nominate projects and therefore take an interest in them.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): In view of the Minister's comments earlier about embedding best practice in the mainstream, what will he do to ensure that judges and magistrates have a full understanding of the outcome of restorative justice projects and make full use of them?

Nick Herbert: The right hon. Gentleman probably knows that we will announce a set of proposals on sentencing later this year, and restorative justice will form an important component of that. It is a coalition agreement to seek to promote restorative justice programmes, and the evaluation of them that has been carried out is encouraging, showing high levels of victim satisfaction and reduced rates of reoffending.

Mark Pawsey (Rugby) (Con): My right hon. Friend referred to the community payback scheme. I recently spent a day with the community payback team in my constituency, helping to cut back branches in a local area of woodland. I saw the benefits of such work to both offenders and the community. Does he agree that such schemes play an important part in the justice system?

Nick Herbert: I strongly agree with my hon. Friend. I assume that he was taking part in the scheme as an observer, not as somebody who was required to pay back to the community. It was not a Whips-run scheme.

It is important that community sentences are effective, and that there is confidence on the part of members of the public and sentencers that the schemes are rigorous. At their best they can be, but there is a great deal more work to be done to ensure that they are supervised and enforced properly.

Robert Flello (Stoke-on-Trent South) (Lab): Last year alone, offenders carried out more than 11 million hours of unpaid work through the community payback scheme, which is a model of restorative justice. Across the country, offenders have cleaned graffiti, repaired community centres and worked on environmental projects, including helping to repair flood damage in Cumbria. The scheme was established by the previous Labour Government in the face of Conservative opposition—indeed, at the time, the current Attorney-General dismissed it as a gimmick. Will the Minister confirm that that excellent Labour programme is in fact now being expanded by his Government because it provides an important role in punishing and rehabilitating offenders?

Nick Herbert: May I also congratulate the hon. Gentleman on his new position as Opposition spokesperson? He does not seem to recognise that there are public confidence issues with community payback as it is currently run. He did not refer, for instance, to the ITV documentary that was broadcast recently that showed offenders abusing community payback and problems with supervision. It is the Government's intention to considerably improve and toughen up community payback so that there is confidence in it.

Prisoners (Drug Addiction)

6. **Andrew Griffiths** (Burton) (Con): What estimate he has made of the number of prisoners in England and Wales addicted to class A drugs. [17816]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): We estimate that on average, 55% of all people entering prison have a serious drug problem, but we are unable to give a robust and precise estimate of the number of prisoners who are addicted to class A drugs. A recent study reviewed 1,457 newly sentenced

prisoners from 49 prisons. It showed that 62% of prisoners reported some drug use, and 41% of the sample reported heroin, cocaine powder or crack cocaine use during the four-week period prior to the study.

Andrew Griffiths: The Secretary of State will know that more than 60,000 prisoners received methadone or another drug intervention in our prisons last year alone. Almost 24,000 of them received a regular methadone prescription. Does he agree that that state-induced dependency must end?

Mr Clarke *rose—*

Andrew Griffiths: And will he urgently bring forward proposals to tackle the problem?

Mr Speaker: Order. The hon. Gentleman is testing the knee muscles of his right hon. and learned Friend.

Mr Clarke: I was compelled by my hon. Friend's first question and I had not thought that there was more to come. As he said, we must move away from the overuse of drugs and methadone maintenance, and aim at detoxification and returning people to a condition in which they might stay out of prison. Methadone maintenance is sometimes necessary when dealing with people who are seriously addicted when they enter prison. If people are serving a very short-term sentence, there is not much more we can do than maintain them on methadone.

However, the Ministry of Justice is looking, with my right hon. Friend the Health Secretary, to see what can be done in the context of his health reforms to deal more constructively with the huge problem of drugs offenders and crime. As I said, more than half the people whom we admit to prison are believed to have a serious drug problem when they arrive, and some who enter drug-free become addicted while there.

John Mann (Bassetlaw) (Lab): Some of us believe that decisions on drug treatment, including in prison, should be taken by doctors, not by politicians. Which Government agency will take the lead on drug treatment in prison under this Government?

Mr Clarke: I know that the hon. Gentleman takes a close interest in drug treatment in his constituency, where he has an excellent record on the subject. Responsibility for such treatment in prisons has been transferred to the NHS. I agree with his proposition that clinical judgments must lie at the heart of any drug treatment programme, but it is necessary for Departments to collaborate. My right hon. Friend the Secretary of State for Health and I hope to produce a combined framework on treatment in prison and treatment for convicted drug users in alternative residential accommodation. That might include the transfer of prisoners in suitable cases to community-based mental health care. All those things must be tried, because the current situation is quite appalling. However, in the end, treatment of an individual must be a clinical decision. It is certainly not a decision for politicians.

Prisoners (Relationship Skills Programmes)

7. **Andrew Selous** (South West Bedfordshire) (Con): What steps he is taking to provide relationship skills programmes for prisoners. [17817]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): Currently, commissioning services for offenders is devolved to directors of offender management in the regions and Wales. They are responsible for deciding what services they wish to commission to meet the needs of prisoners in their area. We are examining how reforms to the justice system could enable delivery of more programmes from a broader range of local providers of greater relevance to the many rehabilitation needs of offenders.

Andrew Selous: Given that there is a mass of academic evidence from the UK, the US and the Netherlands that strong family relationships reduce reoffending and, therefore, cost to the Minister's Department, can I ask him to stress that in the Green Paper and when he and his colleagues speak to prison governors?

Mr Blunt: I tend to agree with my hon. Friend. We have to get to a position in which those people who are charged with the rehabilitation of offenders have a much freer hand to deliver the interventions that will be effective for the offender who is in their care. If we over-prescribe exactly what has to be done from the centre, we will have a much less effective system. That process will be central to the rehabilitation revolution of delegating responsibility and authority for these decisions to a local level.

Chris Leslie (Nottingham East) (Lab/Co-op): While I would not go as far as the Minister's party in terms of rehabilitation for prisoners, is it not better to have resources going into rehabilitation so that we save money in the long run? When I spoke to those who work at Nottingham prison in my constituency, they were very concerned that the cuts that will be implemented tomorrow could mean that prisoners will be locked up for much longer periods with no rehabilitation services.

Mr Blunt: I detected a degree of contradiction in how the hon. Gentleman presented his question. He does not want to go as far as we would on the rehabilitation of offenders, but then asks us to go the distance. That is exactly what we will do. It would be wholly short-sighted to cut our capacity to deliver rehabilitation of offenders, and that is why we will enable a system that gets the whole country—including the voluntary, not-for-profit and the private sectors, as well as the existing state services—to work together to deliver effective rehabilitation of offenders and effect a step change in the delivery of what is a critical public service.

Prison Service Staff (Mental Health Awareness)

8. **Mr Robert Buckland** (South Swindon) (Con): What recent discussions he has had with ministerial colleagues on the provision of training for prison service staff on the management of offenders with mental health conditions. [17818]

12. **Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): What recent discussions he has had with ministerial colleagues on the provision of training for prison service staff on the management of offenders with mental health conditions. [17823]

18. **Andrew Jones** (Harrogate and Knaresborough) (Con): What recent discussions he has had with ministerial colleagues on the provision of training for prison service staff on the management of offenders with mental health conditions. [17829]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): Ministry of Justice and Department of Health Ministers and senior officials discuss offender health issues regularly. Over 17,000 prison officers received mental health awareness training between 2006 and 2009. A new mental health training framework was launched in 2009-10, which regional offender health teams now co-ordinate.

Mr Buckland: I am grateful to my right hon. and learned Friend for that answer and I am delighted to hear that his Department is working with the Department of Health. Will he do all that he can to work effectively with that Department to ensure the proper commissioning of mental health services, which will not only improve intervention in the police station, but ensure a wider range of effective sentences in our courts?

Mr Clarke: That is precisely what we want to do, and my hon. Friend's approach is very much in the right direction. Much reform will take place in the Department of Health, including obviously the commissioning of services for mental health. It is important that account is taken of the need to commission proper services of all kinds for prisoners, and that is being taken on board by my right hon. Friend the Secretary of State for Health and his team. We will work closely with them. The present prison population includes people whose criminality goes alongside a definite need for support—in this case for mental health problems—which, if tackled successfully, might reduce their liability to reoffend.

Dr Poulter: Does the Secretary of State agree that the treatment of prisoners with mental health problems does not just end when they leave prison but continues far beyond? Will he please outline what steps the Government plan to take to support prisoners with mental health problems after they leave prison?

Mr Clarke: I agree entirely. it is all part of what we hope to do on rehabilitation. In addition to tackling prisoners' problems inside prison, we have to look ahead and almost certainly join up with the community mental health services providing support for prisoners when they are released. That will be an important part of ensuring that the reforms we are carrying out to the prison service and the criminal justice system are properly tied up with my right hon. Friend the Secretary of State for Health's important reforms to the future shape of the NHS.

Mr Speaker: Order. May I gently encourage the Secretary of State to look at the House when he addresses us?

Andrew Jones (Harrogate and Knaresborough) (Con): How do the Government intend to implement the proposal in the coalition agreement to explore alternative forms of secure treatment-based accommodation for mentally ill and drugs offenders?

Mr Clarke: I recall that proposal in the coalition agreement. I think I mistakenly drew upon it a few moments ago when talking about drug treatments—I do not think we will be moving to that quite so rapidly. However, that is an important part of the coalition agreement, and I can only say at this stage that we certainly have not forgotten about it and are working on it. Undoubtedly, if we can set up a proper and, where necessary, secure treatment facility, it would perhaps be a better place to treat mental illness than an overcrowded prison.

Dr William McCrea (South Antrim) (DUP): What discussions have been held between the Secretary of State's Department and the devolved Administrations on this important issue? Are there any glaring variations between the training available across the different regions of the United Kingdom?

Mr Clarke: These matters are devolved. I have no doubt that we will look at good practice on both sides of the Irish sea from time to time to ensure that we benefit from what we each do. I am in regular contact with my opposite number in the devolved Northern Ireland Government, and I will try to take the opportunity to discuss these matters with him to see how we are both getting on.

Mr Chuka Umunna (Streatham) (Lab): I am encouraged by the responses from the Secretary of State, particularly given that this is a big issue in my constituency, which is home to Her Majesty's Prison Brixton. We want to expand provision for mental health services in that prison so we are keen to know whether he agrees that it would be a mistake this week to reduce funding for mental health services in our prisons?

Mr Clarke: Not surprisingly, everyone is trying to anticipate tomorrow's announcements. We will have to make fairly marked reductions to the budget of the Ministry of Justice and the various services for which we are responsible. Against that background, we will need to take an approach to how we tackle these problems that is more radical and reforming than the previous one, which involved simply paying for more and more places for more and more people, leading to overcrowded prisons. Our approach will underline the need to take a particular look at drugs, mental health, illiteracy, innumeracy, foreign national prisoners and all the other things to ensure that we find better ways of dealing with rehabilitation problems whenever possible.

Short Custodial Sentences

9. **Hazel Blears** (Salford and Eccles) (Lab): What recent discussions he has had with the Sentencing Guidelines Council on its guidance on short custodial sentences. [17819]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): The Sentencing Guidelines Council has not issued any specific guidance on short custodial sentences. We have had no discussions with the council on this topic, which we are considering as part of our assessment of sentencing policy.

Hazel Blears: The Secretary of State may be aware of a recent case in my constituency in which a young man suffering from autism and Asperger's syndrome was subjected to a series of horrific attacks by three other young men. The judge said that the attacks could almost amount to torture, yet the three perpetrators were given community orders. During the general election, the right hon. Member for Witney (Mr Cameron), now the Prime Minister, told the country that we are not convicting enough. He then explicitly said that

"when we do convict them, they're not getting long enough sentences."

Just two weeks ago, in his speech to the Conservative party conference, the Prime Minister said that

"offenders who should go to prison will go to prison".

I agree with the Prime Minister—does the Secretary of State?

Mr Clarke: One of the failings of the last Government was to take a popular subject from the popular press and make rather shallow partisan points out of it. Sentencing in individual cases is not a matter for Ministers, and should not be a matter for sensational comment to the newspapers by Ministers with the frequency that it was. We have to ensure that justice is done, particularly to the victims of crime, and that justice is carried out in such a way as to reduce the risk of reoffending. We have made our approach to crime perfectly clear: we must punish the guilty. Prison is the right place for serious criminals—they will not commit more crimes while inside—but we also strive to avoid reoffending. The case that the right hon. Lady mentions was obviously a serious case for the victim, but newspaper cuttings from Salford are not the source of future criminal justice reform.

Philip Davies (Shipley) (Con): Will the Secretary of State take this opportunity to acknowledge that very few people are sentenced to prison for a first offence? The vast majority of people who serve short-term prison sentences do so only because they have been given community sentence after community sentence, all of which have failed. The last thing to do with those people is to give them another community sentence, only for it to fail once again.

Mr Clarke: It is very pleasant to say that I largely agree with my hon. Friend. He has probably been upset by reports that I am minded to abolish short prison sentences. Actually, I have always expressed precisely the opposite opinion. It has never been my view that we should abolish all short prison sentences. Indeed, I have rather shared his opinion that with the kind of irritating recidivist offender who is causing a lot of damage, if they offend over and over again there is quite often no alternative to a short prison sentence. There are too many such offenders, and although there are cases in which we can avoid the use of short prison sentences, if we do that we must have a very effective alternative.

Sadiq Khan (Tooting) (Lab): May I begin by saying how much I genuinely relish the prospect of debating—and, dare I say, arguing—with the Lord Chancellor and his team on the matters in their portfolio? I am also looking forward to working with the coalition Government where there are areas of agreement between us, notably on the use of restorative justice projects such as community payback—a subject that has already been raised by the hon. Member for South West Norfolk (Elizabeth Truss) and other colleagues. However, the right hon. and learned Gentleman will know that most people who receive short prison sentences are persistent offenders who have refused to change their behaviour, even after undergoing community sentences, as has been said. He has said that he is not against abolishing the power of magistrates to award short sentences. Will he commit today not to reduce, in the sentencing review now taking place, the power of magistrates to give custodial sentences where appropriate?

Mr Clarke: I welcome the right hon. Gentleman to his place, and I look forward to debating with him. He has certainly got to Cabinet level a damn sight more quickly than I ever did, so I am sure that he will prove a formidable challenge to the Government. As I have already said, we will not take away powers from magistrates courts, which sometimes find it absolutely inevitable that they have to give somebody a short prison sentence, because everything else has failed and that person is continuing to cause damage to other people. However, we hope to provide magistrates with the full range of alternatives. As my right hon. Friend the Minister for Policing and Criminal Justice said a few moments ago, more credible community sentences—sentences with a properly punitive element that might have a better chance of rehabilitating the offender—should be tried in more cases, and we will try to provide them for magistrates.

Sadiq Khan: I am grateful to the Lord Chancellor for that answer. He has made it absolutely clear that magistrates will not have the power to give short sentences taken away from them. For clarity, will he also confirm that the cuts that will be announced tomorrow will not lead to a reduction in any prison places or to any prisons being closed?

Mr Clarke: I hope that the right hon. Gentleman is not going to follow his predecessors in making a great policy point about a target for the number of people in prison, because there is no evidence that that does any good to anybody. We do have to—*[Interruption.]* The present numbers are enormous compared with the numbers when we were last in office. There are 20,000 more people in prison than there were when we last had a Conservative Home Secretary in charge. We are looking at what works, and what protects the public. Prison must be used for those for whom it is essential, but it is simply not the case that prison is the only way of dealing with all offenders. Once we have punished people and given others a break from their activities, the key thing is to do more than the present system does to reduce the risk of their reoffending and committing more crimes against more victims, to which the present system almost condemns us. More than half of prisoners—

Mr Speaker: Order. I am grateful to the Secretary of State, but we now need shorter questions and shorter answers.

Victim Support

10. **Karl Turner** (Kingston upon Hull East) (Lab): What plans he has for future funding of Victim Support homicide service teams. [17821]

The Minister for Policing and Criminal Justice (Nick Herbert): The Government recognise the importance of providing support, information and advocacy for families bereaved by homicide. We are currently considering options for future funding of services for victims.

Karl Turner: I am grateful for the Minister's response, but I am still concerned, because the draft structural plan for the Ministry of Justice makes no reference to continued funding for the national victims service. Can the Minister guarantee that the £8 million committed by the previous Government will be protected by the present Government, ensuring that families of murder victims get the support that they need?

Nick Herbert: The Government of course recognise that families who are bereaved through homicide require the most intensive support of all, and we are working with Victim Support on the continuing development of the homicide service, which is relatively new. It has supported 600 bereaved people, although it has only been going since March 2010. However, I cannot make commitments about funding ahead of tomorrow, or ahead of the proposals that we will set out later this year.

Offender Rehabilitation

11. **Stephen Mosley** (City of Chester) (Con): What progress his Department has made on implementation of its payment by results policy for the rehabilitation of offenders; and if he will make a statement. [17822]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): The Government are committed to introducing payment by results as part of a new approach to offender rehabilitation. We will provide further details in the rehabilitation and sentencing Green Paper.

Stephen Mosley: With 60% of offenders on short-term sentences reoffending within a year, it is absolutely critical to have a major step change in our attitudes to rehabilitation. To that end, will my right hon. and learned Friend tell us whether he plans to introduce any more pilot schemes, and if so, when and where will they occur?

Mr Clarke: I entirely share my hon. Friend's view, and we are hoping to get more pilots under way in the new year, as soon as we have got our Green Paper out and drawn up the framework contracts that we shall have to enter into with providers. The country is full of people with extremely good ideas on how to improve rehabilitation and reduce reoffending, and we must ensure that we have a proper means of engaging with people in the voluntary and independent sectors and in private sector companies—in any combination of those that people wish—to try to produce the result that my hon. Friend and I, and all our constituents, would like to see.

Vulnerable People (Legal Representation)

13. **Mr David Ward** (Bradford East) (LD): What steps his Department is taking to increase access to legal representation for the most vulnerable. [17824]

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): On 23 June 2010 the Justice Secretary announced in a written ministerial statement that the Government were undertaking a policy assessment of legal aid in England and Wales. The Government intend to seek views on proposals later this autumn. In addition, on 26 July I announced the Government's intention to consult on implementing Lord Justice Jackson's proposals on funding arrangements from his report later this autumn. Those proposals, if implemented, would help to maintain access to justice at proportionate costs for claimants and defendants.

Mr Ward: The only organisation in Bradford with qualified solicitors offering welfare advice ceases its service part-way through the year as it uses up its allocation of matter starts, while other solicitors still have unused but non-transferable allocations. Will the Justice Secretary please ensure that, as part of the review, the inefficiency of matter starts is given due consideration?

Mr Djanogly: That will form part of the review, which, as I said earlier, will be out later this autumn.

Jim Shannon (Strangford) (DUP): The hon. Member for Bradford East (Mr Ward) has talked about the importance of legal aid. Like many other hon. Members, I believe that legal aid is critical for those who want to address an injustice. Can he assure us that it will continue, and there will still be an opportunity to access it, even after the comprehensive spending review?

Mr Djanogly: Absolutely. The Government support legal aid very much. As far as we are concerned, however, it is a question of directing that legal aid to those who need it most, and that will form the core component of the review whose findings will come out later this autumn.

Foreign National Prisoners

14. **Mr Philip Hollobone** (Kettering) (Con): If he will establish how many foreign national prisoners held in UK prisons wish to serve out custodial sentences in their country of origin rather than in the UK. [17825]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): Since 1 January this year, 97 applications for transfer have been received from prisoners wishing to serve their custodial sentence in their country of origin. The Prison Service has in place procedures—principally on induction—to ensure that prisoners are aware of the possibility of transfer and of how to submit an application. In addition, prisoners are advised, during interviews with immigration staff, of the possibility of being repatriated. Relevant prisoners are advised in writing of any new prisoner transfer agreement that comes into effect.

Mr Hollobone: May I urge my hon. Friend to place in the Library the details of the countries to which those 97 prisoners wished to return? I also urge him and his ministerial colleagues to do far more to encourage foreign national prisoners to go back to where they came from, because taxpayers in this country are fed up with paying for their board and lodging.

Mr Blunt: I am extremely grateful to my hon. Friend for continuing to keep a spur to the Ministry of Justice's side to ensure that we do not slack in our responsibility to get these foreign national prisoners home if at all possible. I am pleased to be able to tell him that when I spoke recently to the annual conference of the Independent Monitoring Boards, I asked them to help us with this, to ensure that we have our procedures in place, and to identify any cases of delay involving prisoners wishing to return under a prisoner transfer agreement. I am determined to ensure that all those who are willing to go home should be encouraged to do so at the earliest opportunity.

Sentencing (Parental Responsibility)

15. **Jason McCartney** (Colne Valley) (Con): What recent representations he has received on his review of parental responsibility in sentencing. [17826]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): As part of our informal consultations for the Green Paper, we have received clear support for greater engagement of parents and families in the youth justice system. There is strong international evidence and promising emerging evidence from the UK of the effectiveness of supportive parenting interventions in reducing offending by young people.

Jason McCartney: I welcome the Minister's statement that international evidence shows the effectiveness of parenting in reducing offending. Will my hon. Friend do everything he can to increase the role of parenting in sentencing in the youth justice system?

Mr Blunt: What we want to do is to move towards a restorative approach to the youth justice system, and particularly to examine whether we can transfer the lessons from the experience of the youth system in Northern Ireland. Youth justice conferencing was very successful there, which involves, of course, the parents of offenders as well as the offenders themselves having to face up to the consequences of their actions. I hope that that gives a pretty unqualified yes to my hon. Friend.

Topical Questions

T1. [17836] **Paul Maynard** (Blackpool North and Cleveleys) (Con): If he will make a statement on his departmental responsibilities.

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): I would like to point out that we recently launched the new legal ombudsman scheme on 6 October 2010. The legal ombudsman, established under the Legal Services Act 2007, will act as a one-stop shop for all complaints against legal service providers. The new scheme replaces the previous complaints-handling regime, whereby service complaints about lawyers were dealt with by their regulatory body. The legal ombudsman will preside over the new complaints system, which will be efficient, easily understandable for consumers, and clearly independent from the legal profession.

Paul Maynard: I recently received a letter from a constituent who in 2000 received a three-year custodial sentence for a non-violent crime. Despite successful rehabilitation and gainful employment, he now discovers that his conviction can never be legally spent—with a dreadful impact on the future lives of both himself and his family. Given the Lord Chancellor's enthusiasm for rehabilitation, and also the inflation in sentencing over the past 10 years, will he commit to look again at the threshold at which convictions can be legally spent?

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): My hon. Friend has pointed out some of the problems with the Rehabilitation of Offenders Act 1974 as it operates in today's climate. I can confirm that this will be covered by our review of sentencing and rehabilitation.

Sadiq Khan (Tooting) (Lab): Will the Lord Chancellor confirm that in the forthcoming review of the Human Rights Act, its abolition has been ruled out?

Mr Kenneth Clarke: The coalition agreement sets out that we will appoint a commission, which will probably happen next year. We will certainly not resile in any way from our obligations under the European convention on human rights, which the Government accept. We will also examine the prospects of improving understanding of how human rights legislation works in this country.

T3. [17838] **Andrea Leadsom** (South Northamptonshire) (Con): Are my right hon. and hon. Friends aware of the devastating consequences, particularly for victims of domestic violence, of the decision taken by the Legal Services Commission to halve the number of legal aid providers? In the whole of my constituency of South Northamptonshire we have only one small firm specialising in domestic violence legal aid cases, yet it has just been told that its licence will be revoked. Can Ministers do anything to help my constituents?

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): It was a competitive contract, and the contracts have now been awarded. It is appropriate to note that the new legal aid contracts for family law were due to commence on 14 October, but that on 30 September the Legal Services Commission lost a judicial review brought about by the Law Society against its recent tender process. The tender was ruled unlawful and the awards quashed, meaning that the Legal Services Commission is unable to proceed with the new family contracts until a fresh process can be undertaken.

T2. [17837] **Mrs Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): What action will be taken to ensure that the arrest and prosecution of foreign nationals can be undertaken only by the Crown Prosecution Service and the Metropolitan police?

Mr Kenneth Clarke: I will make careful inquiries into what steps are being taken. Obviously foreign nationals should be treated on the same basis as any other residents of this country when it comes to being dealt with via the criminal law. However, if the procedures give rise to some concern, perhaps the hon. Lady would draw the specific problem that troubles her to my attention and that of my team, and we will look into it.

T5. [17840] **Graham Evans** (Weaver Vale) (Con): Given the potential closure of Northwich court in my constituency, as a result of which people will have to travel a considerable distance to reach the nearest court

in Chester, what plans have the Government to encourage the use of technology to minimise the necessity for members of the public physically to attend the court for routine purposes?

Mr Djanogly: I thank my hon. Friend for giving me an opportunity to discuss the merits of technology in relation to the courts. As for the court in his constituency, access is important. The Government took the view that an average travelling time of an hour or less would be acceptable.

Rosie Cooper (West Lancashire) (Lab): Does the Secretary of State think that there should be a public acceptability test relating to the time that prisoners spend in purposeful activity?

Mr Kenneth Clarke: I think that it would be very publicly acceptable if there were a more work-based regime in more of our prisons. I am not sure what specific tests would need to be devised, but we would need to ensure that, whenever possible, the hours spent in productive employment by prisoners reintroduced to the work habit were similar to those to which they would have to adapt if they obtained a job when they left prison, and that they would be able to produce goods, for instance, generating earnings that would help them to make a contribution to compensation for victims. However, I am not sure that each of those programmes would need to be subjected to a public acceptability test.

T6. [17841] **Matthew Hancock** (West Suffolk) (Con): Many millions of pounds are spent on court cases involving divorcing couples. Yesterday David Norgrove was quoted as saying that the Department was looking to a Swedish model to help to resolve divorce cases—

Dr Julian Lewis (New Forest East) (Con): Name her!

Matthew Hancock: What changes does the Secretary of State propose to make, and how much would—*[Interruption.]*

Mr Speaker: Order. I want to hear the rest of the question. It is becoming more fascinating by the word.

Matthew Hancock: What does the Secretary of State intend to learn from the Swedish model, and how much money would be saved?

Mr Djanogly: We have some good English models too. Family mediation can be quicker, cheaper and less stressful, and provide better outcomes, than contested court proceedings. We know that informing people about mediation helps them to understand how it can enable them to avoid long-drawn-out cases. I am pleased to report that the issue forms part of the Norgrove review, which we will follow with great interest.

Mr Speaker: I call Chris Leslie. He is not here, so I call Mr David Winnick.

Mr David Winnick (Walsall North) (Lab): How many of those who were seriously injured in the 7/7 bombings are still waiting for compensation? Presumably the Department has some responsibility in that regard. As for the claims that have been finalised, is the Secretary of State aware that there is a good deal of dissatisfaction among those who have received inadequate sums, in view of the serious injuries inflicted by the mass murderers?

Mr Kenneth Clarke: Because of the system that we have inherited, the criminal injuries compensation scheme will have to be re-examined. It simply has not received adequate funds in each year's budget to keep up with the level of claims. We will have to establish how we can produce a system that works more efficiently, is affordable, and does not depend entirely on huge delays before payments are made because no one has been allocated any money to settle all the outstanding claims.

There is quite a lot behind the hon. Gentleman's question, but of course everything possible is being done to provide the compensation due to people as quickly as possible. Obviously I cannot comment on the assessment of damages in individual cases, but I note the hon. Gentleman's remarks about the disappointment that some have felt.

T7. [17842] **Mr Christopher Chope** (Christchurch) (Con): As part of his efforts to save money by reducing the workload of the magistrates courts, will my right hon. and learned Friend make it his policy to decriminalise the non-payment of the BBC television licence fee, so that the BBC, like every other organisation, must recover its civil debts civilly rather than through the magistrates courts?

Mr Clarke: I am not sure that that is my responsibility at present; I will consult my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport. I can only say that the last time I can remember a Government attempting to do that, the idea was not met with a great deal of favour by the BBC—but I shall find out exactly where we are now.

Paul Goggins (Wythenshawe and Sale East) (Lab): Like many others, I would like to see less use of short-term prison sentences, but will the Justice Secretary expand on his curious remark a little earlier that there is little evidence that prison does any good to anyone?

Mr Clarke: If I said that, it was one of those slips of the tongue that I very rarely make. Prison is the best and only punishment for serious criminal offenders; it is the one that we all want to use. It has a strong punitive element if the just and correct sentence is given, and the public are, of course, spared from the crimes of the individual for so long as he is in prison—but we should also strive to do much better than we have ever done before in reducing the likelihood of the person reoffending and committing new crimes as soon as he is released. I am, however, delighted to hear that the right hon. Gentleman agrees with me that short-term sentences are used too much. He should have a word with his party's newly appointed Front-Bench spokesman, before that Front-Bench spokesman slips into the folly of the last 10 years.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Since no funding was in place from the previous Government for the post of chief coroner, the decision not to go ahead with it was hardly surprising, but does that not leave a gap both in raising standards and in having an appeal procedure less costly than judicial review?

Mr Djanogly: I thank my right hon. Friend for giving me an opportunity to explain the fact that we aim to improve the coroner system in line with most of the policy in the Coroners and Justice Act 2009. However, the purpose of abolishing the chief coroner post is, first, to save the £10 million start-up costs and then the £6.5 million running costs, but also so that some of the chief coroner's leadership and operational functions can be transferred to an alternative body.

Ian Lavery (Wansbeck) (Lab): The Secretary of State will be aware that prisoners held within the prison estate are still allowed to smoke tobacco. Does the Secretary of State agree that that presents a huge health risk to Prison Service employees, and are the Government considering the matter?

Mr Blunt: As I am sure the hon. Gentleman knows, the prisoner's cell is regarded as his home for the purposes of the smoking legislation, and that is what gives them their rights in that regard.

T8. [17843] **Stephen Phillips** (Sleaford and North Hykeham) (Con): My right hon. and learned Friend the Justice Secretary will be aware of the considerable disquiet felt about the Judicial Appointments Commission both by those within the ranks of the judiciary and by those seeking preferment to it. According to the Library, the cost of the JAC to his Department is in the order of £10 million annually. That is for the discharge of functions formerly performed by the Lord Chancellor's Department for an amount that I have little doubt was one twentieth of that. We saw the axe taken to a number of quangos this week; when can the House expect the JAC to join them?

Mr Kenneth Clarke: I do not think we are going to abolish the JAC, and it did not appear on the list for the axe this week. My hon. Friend makes a well-founded point, however. While retaining the commission, we will take a close look at improving the way it operates, particularly in respect of the amount that it is now costing, the time it is taking to make appointments, and the burdensome processes that are sometimes introduced.

Ian Austin (Dudley North) (Lab): Perhaps it was also a slip of the tongue when the Secretary of State completely failed to answer the question asked by my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman). Before the election, Members now sitting on the Government Benches, from the current Prime Minister down, all promised on umpteen occasions to sort out the issue of universal jurisdiction. Why have they so far completely failed to do anything about it at all? Why are they shilly-shallying about? When are they going to get it dealt with?

Mr Clarke: I am grateful to the hon. Gentleman; for some reason, I completely failed to get the full point of what was being said. I thought it was being suggested that there should be a different method for dealing with foreign arrests than for domestic arrests. I entirely agree with the point that has been made. We have already said we are going to readdress the law. The Leader of the House is sitting alongside me, and he tells me that legislation will be introduced in the House very soon.

T9. [17844] **Julian Smith** (Skipton and Ripon) (Con): When can those opposed to the closure of Skipton court expect to hear a decision about it, and can the Minister reassure me that its unique rural case will be listened to carefully?

Mr Djanogly: My hon. Friend has made strong representations in support of the court, and they were well received. The decision will be taken shortly before the Christmas recess.

Thomas Docherty (Dunfermline and West Fife) (Lab): Will the Lord Chancellor update the House on the Government's thinking on prisoners having the right to vote?

Mr Kenneth Clarke: The Government, led by my right hon. Friend the Deputy Prime Minister, are giving careful consideration to that point.

T10. [17845] **Dr John Pugh** (Southport) (LD): The Ministry has a laudable and exemplary commitment to evidence-led policy. Given that, can the Minister assure me that when he reviews the magistrates courts, he will look critically at the information on the condition and use of Southport's courts in the Ministry's consultation document—which is, frankly, duff, inaccurate and misleading?

Mr Djanogly: I do not know how the consultation report was misleading, but if the hon. Gentleman contacts me later I shall be happy to look at it.

Natascha Engel (North East Derbyshire) (Lab): I am sure that the Ministry of Justice is aware of early-day motion 794 in my name, on the Court of Appeal ruling on mesothelioma liability. I received a letter this morning from the Association of British Insurers. I will deal with their very polite request that I withdraw my early-day motion after this, but first I want to focus briefly on its assertion that

"the industry and the ABI agrees...that the appropriate trigger point for employers' liability policies is the point of exposure"

to asbestos,

"not the point at which the disease develops"—

the disease being mesothelioma. Does the Minister agree?

Mr Djanogly: This is not a matter on which we propose to legislate in the near future, but if the hon. Lady wishes to discuss the issue further with me, I shall be happy to meet her.

Several hon. Members *rose*—

Mr Speaker: I am sorry, but we must cut things off there; as usual, demand has exceeded supply.

Strategic Defence and Security Review

3.31 pm

The Prime Minister (Mr David Cameron): With permission, Mr Speaker, I would like to make a statement on the strategic defence and security review. There are four things that I would like to say up front. First, this is not simply a cost-saving exercise to get to grips with the biggest budget deficit in post-war history. It is about taking the right decisions to protect our national security in the years ahead, but let me say this: the two are not separate. Our national security depends on our economic strength, and vice versa.

As our national security is a priority, defence and security budgets will contribute to deficit reduction on a lower scale than most other Departments. Over four years, the defence budget will rise in cash terms, and fall by only 8% in real terms. It will meet the NATO 2% of gross domestic product target for defence spending throughout the next four years. But this Government have inherited a £38-billion black hole in our future defence plans. That is bigger than the entire annual defence budget of £33 billion. Sorting this out is vital not just for tackling the deficit, but for protecting our national security.

Secondly, this review is about how we project power and influence in a rapidly changing world. We are the sixth largest economy in the world. Even after this review, we expect to continue with the fourth largest military budget in the world. We have a unique network of alliances and relationships—with the United States, as a member of the EU and NATO, and as a permanent member of the UN Security Council. We have one of the biggest aid programmes in the world, one of the biggest networks of embassies, a time zone that allows us to trade with Asia in the morning and the Americas in the afternoon, and a language that is spoken across the globe. Our national interest requires our full and active engagement in world affairs. It requires our economy to compete with the strongest and the best, and it requires, too, that we stand up for the values that we believe in. Britain has traditionally punched above its weight in the world, and we should have no less ambition for our country in the decades to come, but we need to be more thoughtful, more strategic and more co-ordinated in the way we advance our interests and protect our national security. That is what this review sets out to achieve.

Thirdly, I want to be clear: there is no cut whatsoever in the support for our forces in Afghanistan. The funding for our operations in Afghanistan comes not from the budget of the Ministry of Defence, but instead from the Treasury special reserve, so changes to the Ministry of Defence that result from today's review will not affect this funding.

Furthermore, every time the chiefs of staff have advised me that a particular change might have implications for our operations in Afghanistan, either now or in the years to come, I have heeded that advice. In fact, we have been and will be providing more for our brave forces in Afghanistan: more equipment to counter the threat from improvised explosive devices; more protected vehicles, such as the Warthog heavy protection vehicle, which will be out there by the end of the year; more surveillance capability, including unmanned aircraft systems; and, crucially, at last, the right level of helicopter capability.

Fourthly, the review has been very different from those that went before it. It has considered all elements of national security, home and abroad, not just defence on its own. It has been led from the top with all the relevant people around the table and, crucially, it will be repeated every five years. The review sets out a step change in the way we protect this country's security interests. We will move from a Ministry of Defence that is too big, too inefficient and too over-spent to a Department that is smaller, smarter, and more responsible in its spending; from a strategy that is over-reliant on military intervention to a higher priority for conflict prevention; from concentrating on conventional threats to having a new focus on unconventional threats; and from armed forces that are overstretched and under-equipped and that have been deployed too often without appropriate planning to the most professional and most flexible modern forces in the world, fully equipped for the challenges of the future.

I want to take each of those in turn—

Angus Robertson (Moray) (SNP): What about the cuts?

The Prime Minister: I shall give the hon. Gentleman all the figures he requires.

First, even though the Ministry of Defence will get real growth in its budget next year, the Department will face some significant challenges, so the MOD will cut its estate, dispose of unnecessary assets, renegotiate contracts with industry and cut its management overheads, including reducing civilian numbers in the MOD by 25,000 by 2015. We will also adjust and simplify civilian and military allowances. The new higher operational allowance stays, but there will be difficult decisions, although these will be made easier by the return of the Army from Germany. Taken together, all those changes in the MOD will save £4.7 billion over the spending review period.

Getting to grips with procurement is vital. The Nimrod programme, for example, has cost the British taxpayer more than £3 billion; the number of aircraft to be procured has fallen from 21 to nine; the cost per aircraft has increased by more than 200%; and it is more than eight years late. Today, we are announcing its cancellation.

Secondly, from military intervention to conflict prevention, Iraq and Afghanistan have shown the immense financial and human costs of large scale military interventions, and although we must retain the ability to undertake such operations, we must get better at treating the causes of instability, not just dealing with the consequences. When we fail to prevent conflict and have to resort to military intervention, the costs are always far higher. We will expand our capability to deploy military and civilian teams to support stabilisation efforts and build capacity in other states and we will double our investment in aid for fragile and unstable countries so that by 2015 just under a third of the budget of the Department for International Development will be spent on conflict prevention.

Thirdly, we need to focus more of our resources not on the conventional threats of the past but on the unconventional threats of the future. So, over the next four years we will invest more than £500 million of new money in a national cyber-security programme. That will significantly enhance our ability to detect and defend against cyber attacks and it will fix shortfalls in the

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critical cyber infrastructure on which the whole country now depends. We will continue to prioritise tackling the terrorist threat both from al-Qaeda and its affiliates and from dissident republicans in Northern Ireland. Although efficiencies will need to be made, we are giving priority to continuing investment in our world-class intelligence agencies and we will sharpen our readiness to act on civil emergencies, energy security, organised crime, counter-proliferation and border security.

Fourthly, and crucially, we need to move from armed forces that are over-stretched and under-equipped to the most modern and professional flexible forces in the world. We inherited an Army with scores of tanks in Germany, but that was until recently forced to face the deadly threat of improvised explosive devices in Afghanistan with Land Rovers designed for Northern Ireland. We have a Royal Air Force hampered in its efforts to support our forces overseas by an ageing strategic airlift fleet and we have a Royal Navy locked into a cycle of ever smaller numbers of ever more expensive ships. We cannot go on like this.

The White Paper we have published today sets out a clear vision for the future structure of our armed forces. The precise budgets beyond 2015 will be agreed in future spending reviews. My own strong view is that this structure will require year-on-year real-terms growth in the defence budget in the years beyond 2015. Between now and then the Government are committed to the vision of 2020 set out in the review and we will make decisions accordingly. We are also absolutely determined that the Ministry of Defence will become much more commercially hard-headed in future and will adopt a much more aggressive drive for efficiencies.

The transition from the mess we inherited to that coherent future will be a difficult process, especially in the current economic conditions, but we are determined to take the necessary steps. Our ground forces will continue to have a vital operational role, so we will retain a large, well-equipped Army, numbering around 95,500 by 2015—7,000 fewer than today. We will continue to be one of very few countries able to deploy a self-sustaining, properly equipped, brigade-sized force anywhere around the world and to sustain it indefinitely if needs be. We will also be able to put 30,000 into the field for a major, one-off operation.

In terms of the return from Germany, half our personnel should be back by 2015 and the remainder by 2020. Tank and heavy artillery numbers will be reduced by about 40%, but the introduction of 12 new heavy lift Chinook helicopters, new protected mobility vehicles and enhanced communications equipment will make the Army more mobile, more flexible and better equipped to face future threats than ever before.

We will also review the structure of our reserve forces to ensure that we make the most efficient use of their skills, experience and outstanding capabilities. That review will be chaired by the vice-chief of the defence staff, General Houghton, and my hon. Friend the Member for Canterbury (Mr Brazier), who has served for many years in the reserves, will act as his very able deputy.

The Royal Navy will be similarly equipped to meet the challenges of the 21st century. We are procuring a fleet of the most capable nuclear powered hunter-killer Astute class submarines anywhere in the world. Able to operate in secret across the world's oceans, those submarines will also feed vital strategic intelligence back to the UK. We will complete the production of six Type 45 destroyers—one of the most effective multi-role destroyers in the world. We will also start a new programme to develop less expensive, more flexible, modern frigates. Total naval manpower will reduce to around 30,000 by 2015—that is a reduction of 5,000—and by 2020 the total number of frigates and destroyers will reduce from 23 to 19. However, the fleet as a whole will be better able to take on today's tasks—from tackling drug trafficking and piracy to counter-terrorism.

The Royal Air Force will also need to take some tough measures in the coming years to ensure a strong future. We have decided to retire the Harrier, which has served this country so well for 40 years. It is a remarkably flexible aircraft, but the military advice is clear: we should sustain the Tornado fleet as that aircraft is more capable and better able to sustain operations in Afghanistan. RAF manpower will also reduce to around 33,000 by 2015—again, that is a reduction of 5,000. Inevitably, that will mean changes in the way in which some RAF bases are used, but some are likely to be required by the Army as forces return from Germany. We owe it to communities up and down the country who have supported our armed forces for many years to engage with them before final decisions are taken.

By the 2020s, the Royal Air Force will be based around a fleet of two of the most capable fighter jets anywhere in the world—a modernised Typhoon fleet, fully capable of air-to-air and air-to-ground missions, and the joint strike fighter, the world's most advanced multi-role combat jet. The fleet will be complemented by a growing number of unmanned aerial vehicles and the A400M transport aircraft together with the existing fleet of C-17 aircraft and the future strategic tanker aircraft. This will allow us to fly our forces wherever they are needed in the world.

As we focus our resources on the most likely threats to our security, so we will remain vigilant against all possible threats and we should retain the capability to react to the unexpected. As we cut back on tanks and heavy artillery, we will retain the ability to regenerate those capabilities if need be; and while in the short term the ability to deploy air power from the sea is unlikely to be essential, over the longer term we cannot assume that bases for land-based aircraft will always be available when and where we need them, so we will ensure the UK has carrier strike capability for the future. This is another area where I believe the last Government got it badly wrong. There is only one thing worse than spending money you don't have, and that is buying the wrong things with it—and doing so in the wrong way. The carriers they ordered were unable to work effectively with our key defence partners, the United States or France. They had failed to plan so carriers and planes would arrive at the same time. They ordered the more expensive and less capable version of the joint strike fighter to fly off the carriers. And they signed contracts, so we were left in a situation where even cancelling the second carrier would actually cost more than to build it. *[Interruption.]* I have this in written confirmation from BAE Systems.

That is the legacy we inherited—an appalling legacy the British people have every right to be angry about, but I say to them today: we will act in the national

interest. We would not have started from here, but the right decisions are now being made in the right way and for the right reasons.

It will take time to rectify these mistakes, but this is how we intend to do so. We will build both carriers, but hold one in extended readiness. We will fit the "cats and traps"—the catapults and arrester gear—to the operational carrier. This will allow our allies to operate from our operational carrier, and it will allow us to buy the carrier version of the joint strike fighter, which is more capable, less expensive, has a longer range and carries more weapons. We will also aim to bring the planes and the carriers in at the same time.

Finally, we cannot dismiss the possibility that a major direct nuclear threat to the UK might re-emerge, so we will retain and renew the ultimate insurance policy—our independent nuclear deterrent, which guards our country round the clock every day of the year. We have completed a value for money review of our future deterrent plans, and as a result we can do the following. We can extend the life of the Vanguard class so that the first replacement submarine is not required until 2028; we can reduce the number of operational launch tubes on those new submarines from 12 to eight; we can reduce the number of warheads on our submarines at sea from 48 to 40; and we can reduce our stockpile of operational warheads from fewer than 160 to fewer than 120.

The next phase of the programme to renew our deterrent, the so-called "initial gate," will start by the end of this year. But as a result of the changes to the programme, the decision to start construction of the new submarines need not now be taken until around 2016. We will save around £1.2 billion and defer a further £2 billion of spending from the next 10 years. So, yes, we will save money, but we will retain and renew a credible, continuous and effective minimum nuclear deterrent that will stand constant guard over our nation's security.

Finally, the immense contribution of our highly professional special forces is necessarily largely unreported, but their immense capability is recognised across the world. We are significantly increasing our investment in our special forces to ensure they remain at the leading edge of operational capability, prepared to meet current and future threats, and maintaining their unique and specialist role. This enhanced capability will allow them to remain at "extremely high readiness" for emergency operations.

We were left a budget £38 billion overspent, armed forces at war, overstretched, under-equipped and ill prepared for the challenges of the future, and the biggest budget deficit in post-war history. I believe we have begun to deal with all these things, sorting out the legacy and fitting Britain's defences for the future. I commend this statement to the House.

Edward Miliband (Doncaster North) (Lab): May I start by joining the Prime Minister in paying tribute to the men and women of our armed forces? I also want to pay tribute to their families, who sustain their loved ones as they prepare for, serve on and recover from operational service. They are the best of Britain, and we should recognise that in the House here today. We must ensure that their interests are protected in all the decisions we make.

I thank the Prime Minister for advance notice of his statement—in today's papers, yesterday's papers, Sunday's papers, Saturday's papers and Friday's papers. It almost did not matter that I got his statement at 3.15 pm because I had read so much of it in the newspapers, but, as someone who takes Parliament seriously, I have to say to the Prime Minister that the process of announcement of the review has been a complete shambles. I genuinely hope he will learn the lessons from it.

On issues of defence and national security, we will always seek to be constructive. I believe the Prime Minister approaches the challenge of national defence, as all Governments have done, with the right intentions, and it does neither our politics nor our armed services any good to imply anything different. That is the approach I shall follow today.

The cuts announced today clearly represent a significant reduction in our defence spending, but what matters in our defence spending is what the money does for our defence and security needs. That is what I want to focus on today. First, I remind the Prime Minister of the concern expressed by the Defence Secretary in the letter to him. He said that

"this process is looking less and less defensible as a proper SDSR".

The Prime Minister will know that the concern that the Defence Secretary expressed was expressed not just by the Defence Secretary, but by the Chair of the Select Committee, by many Members of the House and by many independent observers.

Is it not instructive that the strategic defence review of 1998 took 15 months to complete and involved much greater consultation and in-depth study? May I ask the Prime Minister to respond to the widespread perception that the review has been driven only by short-term considerations? Does he think, on reflection, that it would have been better to have had a longer-term strategic defence review, continuing after the spending review?

Secondly, may I ask the Prime Minister about the most immediate and pressing issue of Afghanistan? I reiterate that we support the mission in Afghanistan and will work in a bipartisan way with him to stabilise the country and bring our troops home safely. I was reassured by what he said in his statement about Afghanistan, but may I ask him for some further assurances that he has been told by the Chief of the Defence Staff that no decision announced today will in any way undermine or disadvantage our military operations in Afghanistan?

I welcome what today's statement said about delivering new equipment, but may I raise with the Prime Minister the issue of extra helicopters? People will remember that he made much of the issue of helicopters in the previous Parliament. The order, as I understand it, was for 22 extra helicopters, but the document produced today states on page 25 that "12 new Chinook helicopters" will be ordered. I simply ask the Prime Minister to explain the discrepancy between the 22 helicopters that I believe he wanted in the previous Parliament, and the 12 that have been ordered.

Thirdly, I am sure the Prime Minister would agree that a key part of preparing for the challenge of the future is the targeting of limited national resources on the most pressing threats. He mentioned terrorism in his

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statement, and the national security strategy identified terrorism as a tier 1 threat. Given that today's announcement forms only a partial response to yesterday's national security strategy, can he assure the House that nothing announced tomorrow in the changes to the Home Office budget will in any way undermine or weaken our ability to counter terrorism in all its forms?

Fourthly, on the issue of preparing our armed forces for future challenges, we agree that savings can be made on the legacy cold war capability, such as in the number of Challenger tanks and in heavy artillery. However, I seek reassurance from the Prime Minister that he is content that the decisions made today do not in any way compromise our ability to support current operations and defend our interests round the world. In particular, what does the capability gap arising from the scrapping of our Harriers and the withdrawal of Ark Royal mean for our force projection, which was made much of in the national security strategy document yesterday? What does it mean for our ability to defend our overseas territories? In that context, will he also reassure the House that the best strategic decision for the next decade really is for Britain to have aircraft carriers without aircraft, which is the decision he announced today?

May I also ask the Prime Minister about two things that he did not mention in his statement? Will he confirm what he did not tell the House but what I think is set out on page 19 of the review—that he is today announcing a one-third reduction in the number of troops that Britain can deploy on both short-term and enduring bases? Will he also take the opportunity to respond to the huge disappointment that there will be in south Wales, following the decision announced in a written ministerial statement this morning to terminate the defence training college at St Athan, which he personally promised would go ahead?

Fifthly, there will be concerns that the review has failed to address strategically the important questions about the future of our nuclear deterrent. All parts of the House support the retention of the nuclear deterrent, alongside progress in multilateral disarmament talks, but can I say—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the Leader of the Opposition. Mr Ellwood, these constant sedentary heckles are not necessary, they are not welcome and they do not help you.

Edward Miliband: There will be concern that the Prime Minister has announced a whole range of decisions on Trident, despite telling us for months that it was not part of the strategic defence review. He made much of the issue of the procurement budget, but will he confirm that by choosing to delay Trident, he is creating a large unfunded spending commitment in the next Parliament—precisely the problem he told us he wants to get away from in procurement.

We will help the Prime Minister and his Government as they seek to do what is best for our country's security, but many people will believe that this review is a profound missed opportunity. It is a spending review dressed up as a defence review; it has been chaotically conducted and hastily prepared; and it is simply not credible as a strategic blueprint for our future defence needs.

The Opposition will support him where we can, but we will also give his strategy serious scrutiny, and where necessary and appropriate we will subject it to the principled and responsible opposition it deserves.

The Prime Minister: I welcome what the right hon. Gentleman said about our armed forces. Anyone who does my job or that of Defence Secretary knows that we have in our armed forces the bravest of the brave, some of the most professional and dedicated people, and everyone in this House looks up to them and is proud of them.

I welcome the fact that the right hon. Gentleman is here at all, because of course today is the day of the TUC rally that he promised to attend. I am very glad that he got his priorities right, and I am sure that all the trade unionists who voted for him will fully understand.

The right hon. Gentleman complained that I had not got him the statement early enough, but I got the document to him two hours ago, which I do not remember his predecessor being very quick to do, but there we are. I might be being unfair.

I thought that the right hon. Gentleman should have started his statement with one word—"sorry": sorry for the £38 billion of overspend in the MOD; sorry for the fact that the previous Government left more civil servants than we had sailors or airmen; sorry for the £2.3 billion that they spent on refurbishing the Ministry of Defence; and sorry for the completely unsustainable promises that they made.

The right hon. Gentleman asked a series of questions, and I shall try to answer every single one. He compared this review with the 1998 review, but one crucial difference is that the 1998 review did not include the funding to go with the promises that were made. Yes, we have made tough decisions in this review, but the funding is there to meet the promises that have been made.

The right hon. Gentleman said that the review was all about short-term considerations, but I have to say that we have made some long-term decisions: to invest £650 million in cyber at a time when one is making cuts is a long-term decision; to sort out the future of the carriers is a long-term decision; and scrapping many tanks and heavy artillery involves difficult but long-term decisions. On his idea that we should take longer over it, I have to tell him that these decisions do not get any easier by just putting them off. We have had a proper process—a national security process. I note that during his leadership election, he said:

> "I think there is a strong case for carrying out our own Strategic Defence Review so that we can give appropriate scrutiny to the Government's plan".

I have not seen that review; perhaps it will emerge eventually.

On the right hon. Gentleman's question about no decision doing damage to what we are doing in Afghanistan, I made it clear in my statement, and I make it clear again to him now, that that has been absolutely uppermost in my mind.

The reason I kept talking about helicopters in the last Parliament is that every time I went to Afghanistan, that is what the troops on the ground were worried about. Now, talking to our troops on the ground—I did a video conference call with the commander of our

forces in Helmand only a few days ago—one finds that that is not their concern; they now have the helicopters they need. Let me answer specifically the point about the Chinook order. There was no order for Chinook helicopters—it was this Government who have had to fund that. The number of Chinooks is going from 46 to 60, and we will also be refurbishing the Puma helicopters to add to capacity.

The right hon. Gentleman asked about the Home Office budget; he will have to wait until tomorrow for that. However, I would stress again that this decision—this document—was brought about by the Home Secretary, the Foreign Secretary, the International Development Secretary and the Business Secretary sitting round as a National Security Council making the right decisions. On his question about being able to produce 30,000 forces in theatre, that was in my statement.

Let me address very directly the issue of the capability gap, because this has been the most difficult decision for the Government to take. There is no gap in our flexible posture. With our air-to-air refuelling and our fast jet capability, we have the ability to deploy force around the world, but I accept that there is going to be a gap in carrier strike. The alternative would be to keep the Harriers but not to keep the Tornados. I think that that would be the wrong decision. The Harriers, in any event, would have to be in Afghanistan, not on an aircraft carrier. The Harrier, while a brilliant aircraft, is not as capable as the Tornado. There are fewer Harriers than Tornados, so there would be a question as to whether they could sustain the action in Afghanistan. The premise underlying the question is not right. The current carriers are not equivalent to the future carriers that we are building. I have to say to hon. Gentlemen who may think, "Well, why not try to keep all of them—the Tornados, Harriers and Typhoons—and develop the joint strike fighter?", that that would be prohibitively expensive. As I say, it is the sort of decision that was taken in the last Parliament just to push these things off into the future. We have to make the tough decisions now to line up our forces for the future.

The right hon. Gentleman's last question was on Trident. I have been saving that up for the end because I was so excited by his questions. We held a value-for-money review on Trident because we really wanted to find out what money we could save, and we are saving money, including £700 million in this Parliament—that is money available to invest in other things, and it does nothing to risk our Trident replacement. I believe that Trident is vital to our nation's security and, having looked at all the evidence, that a proper full replacement of Trident is the right option for the future. These are responsible decisions, well made. I have to say to the right hon. Gentleman, who is now running away from the Trident replacement that he supported, that that would be a profound mistake for this country.

Several hon. Members *rose—*

Mr Speaker: Order. A great many right hon. and hon. Members are seeking to catch my eye. As always, I want to maximise the number of contributors, but brevity in questions and answers alike is vital to the chances of doing so.

Sir Peter Tapsell (Louth and Horncastle) (Con): Does the Prime Minister understand that many will view with great concern the decision to postpone the vital decisions on the future of the Trident nuclear deterrent until 2016—after the general election, when, for all we know, Lib Dem Ministers may still be there in Cabinet and, having been lifelong opponents of the nuclear deterrent, will continue to try to veto it, so that this decision looks like a subordination of the national interest to the political expediency of keeping the coalition going?

The Prime Minister: I really can reassure my—*[Interruption.]*

Mr Speaker: Order. First, it is courteous to listen to the Prime Minister, and secondly, I want to hear his answer.

The Prime Minister: I really can reassure my hon. Friend. I am a very strong supporter of replacing Trident. We have sought the best military advice on what is right for its replacement, and the fact is that because we have been operating the Vanguard submarines for many years, we know what their life can be. We know that it is absolutely right to go through the initial gate this year—we are spending some £700 million in this Parliament on Trident's replacement—but to go through the final gate of actually commissioning the building in 2016. We are on track to replace Trident and have a full-service nuclear deterrent. It is the right decision, and it saves money at the same time. That is what we should do.

Mr Bob Ainsworth (Coventry North East) (Lab): Is not the Prime Minister doing precisely what he criticises with regard to Trident? He is putting off the decision and delaying the expenditure, thereby increasing it. He has also cancelled the Nimrod aircraft, rendering our nuclear deterrent less than invulnerable. How is that sensible, never mind strategic?

The Prime Minister: Let me first answer the right hon. Gentleman's last question. What we are proposing would mean no reduction in continuous at-sea deterrence, which is vital. We set out that we were committed to Trident's replacement but wanted a value-for-money review, and we asked the Ministry of Defence to go through all the possibilities and look to see how we could extend the life of the existing submarines, work on Trident's replacement and ensure that we had continuous at-sea deterrence all the way through. Those are the sorts of questions, frankly, that the last Government should have asked. It would be irresponsible not to do so if we want to have a full-service nuclear deterrent but want value for money. That is the sort of thing that the last Government should have been asking about.

Sir Menzies Campbell (North East Fife) (LD): May I offer the Prime Minister some comfort in relation to Trident and say that I welcome the proposals, particularly as they are consistent with the Liberal Democrat position and also make an important contribution to multilateral nuclear disarmament? Will he confirm that between now and 2016, he will continue to pursue opportunities for multilateral nuclear disarmament, and also investigate the possibilities for greater military co-operation, including nuclear co-operation, with the French?

The Prime Minister: Of course we will continue to look at our responsibilities on nuclear disarmament, which we believe can be done on a multilateral basis,

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and of course we should be looking at co-operation with the French. Let me say to anyone who fears that that is a cloak for a European army that it is completely the opposite. Britain and France have very shared assets and very shared interests in developing our Army and Air Force and working out where we can work together to increase our sovereign capability. I will be having a defence summit with President Sarkozy before Christmas, at which I think we can take some very exciting steps forward.

The one place where I would probably part company with the right hon. and learned Gentleman is that although I know the Liberal Democrats are absolutely entitled to use the time between now and 2016 to look at alternatives, from looking at those alternatives I do not think that any of them would give us the assurance of having a full-service nuclear deterrent with the Trident submarine and missile system. I do not think the alternatives come up to scratch in anything like the ways some of their proponents propose, but under our coalition agreement he is free to continue to look at that. The programme for replacing Trident is on track and going ahead.

Mike Gapes (Ilford South) (Lab/Co-op): The Prime Minister has announced cuts and deferred defence decisions today, and tomorrow the Chancellor will announce cuts to the Foreign and Commonwealth Office and the BBC World Service, yet the national security strategy states:

"The National Security Council has reached a clear conclusion that Britain's national interest requires us to reject any notion of the shrinkage of our influence."

Given that statement, is it not true that the national security strategy is not worth the paper it is written on?

The Prime Minister: May I suggest to the hon. Gentleman a novel idea? Why do we not start looking at what we get out of public spending rather than what we put in? He will see in the strategy that we are actually ensuring that we get the things we need for our Army, Navy and Air Force. We are going to get greater efficiencies, even in vital bodies such as the intelligence services—that is what we have to do at a time when we have such large deficits and debts—but he can see the priority that this Government give to defence and national security in the decisions that we have taken.

Sir Malcolm Rifkind (Kensington) (Con): With such a thankless task because of the economic background, may I commend the Prime Minister and his colleagues for ensuring that even though reductions in defence capability are inescapable at the moment, we will be able to reverse many of them if our economy improves and resources increase? May I also suggest that the whole House ought to welcome the prospect of saving £700 million on Trident without interfering with continuous at-sea deterrence? Is he satisfied that the technical evidence that he has been given supports that conclusion?

The Prime Minister: I thank my right hon. and learned Friend for his question. As a lifelong supporter of Britain's independent nuclear deterrent and someone who wants us to have a full service replacement, I wanted to make absolutely sure that we would have continuous at-sea deterrence and that there would be no break between the Vanguard submarines and what will follow. I am satisfied from all the evidence I have seen that that is what we will get. The reason that we have been able to do that is that the Vanguard submarines have been operating for longer. We now know about their life extension and what is possible. It is possible to continue with the independent nuclear deterrent and its replacement without a break in capability.

Angus Robertson (Moray) (SNP): Thoughts must go to servicemen and servicewomen in communities around the country. Many will be worried about their futures following the Prime Minister's statement, including thousands at RAF Lossiemouth and RAF Kinloss in Moray. Does he understand that if both those bases close, it will mean a 25% cut in the uniform service posts in Scotland as a whole? Given that it will cost more to close RAF Lossiemouth than to maintain it as a Tornado base, will he or the Defence Secretary meet me to discuss its future?

The Prime Minister: My right hon. Friend the Defence Secretary will be happy to meet the hon. Gentleman. Clearly, RAF Kinloss will not be required by the RAF following the decisions that we have taken, but we are not announcing base closures today because more armed service personnel will come home from Germany than will lose their positions following my announcements. There is therefore an opportunity to use RAF bases for other military purposes. I hate to make too much of a political point, but one wonders how many bases and how much capability there would be if there were an independent Scotland.

Stewart Hosie (Dundee East) (SNP): That is outrageous!

Mr Speaker: Order. I say to the hon. Gentleman that he must calm himself, however strongly he feels. I want to hear the Chair of the Defence Select Committee.

Mr James Arbuthnot (North East Hampshire) (Con): The Defence Select Committee will wish to give the review very close scrutiny. It seems to take a real gamble with the short term in order to provide security and stability in the longer term, but how will my right hon. Friend answer those who say, as they will, "If we can get away with no fast jet aircraft carriers for 10 years, why do we need them at all?" Will he defend the Defence budget against such an attack?

The Prime Minister: That is absolutely the crucial question and the one that I personally spent the most time on. In many ways, the politically easy answer would be to keep Harriers in service and thereby pretend that there would be no real carrier-strike gap between the carriers we have now and those we will have in future, but militarily, that would be the wrong thing to do. Our greatest priority today is making sure that we have what we need in Afghanistan. In Afghanistan, the Harrier did great work, but the Tornado is more capable and carries a bigger payload, which is vital. Retiring the Harrier and keeping the Tornado is the right decision.

On our ability to project power around the world, as I said in answer to the Leader of the Opposition, we have air-to-air refuelling, the friendly bases, our allies and overfly rights. It is not easy to see in the short term the need for that sort of carrier strike, but we cannot rule it

out for the longer term. I think that a good decision plus a carrier strike gap is better than a bad decision with what we might pretend is no gap. Actually, there is a big difference between our current carriers with the Harriers on board and the Queen Elizabeth-class carriers that we will have in future, with the joint strike fighter, which has a far larger range.

It is difficult, but, having heard all the arguments, I am convinced. I came at the problem as a politician quite tempted by the easy political answer, but the right military answer is the right thing to do for our country.

Mr Nicholas Brown (Newcastle upon Tyne East) (Lab): The Prime Minister will know that the country's only remaining factory for the manufacture of battle tanks and heavy fighting vehicles is located in Newcastle upon Tyne. Is the factory of strategic importance to the United Kingdom—being the only one we have—and will he say what implications today's announcement has for the factory?

The Prime Minister: Clearly—and everyone will accept this—we need to get away from the sort of cold war tactics of having massed tank regiments in Germany, as we have had in the past. The statement as a whole is extremely positive for Britain's industrial base, in terms of things such as the joint strike fighter, in which we have a huge participation; the A400M, which we will be building; and the shipbuilding that will continue on the Clyde. Obviously, we need to retain key sovereign capabilities and we have to ask in each case what is strictly necessary. Clearly, we will retain a number of tanks and we need them to be properly serviced and workable, because we cannot predict all future conflicts—and it would be a mistake for a document such as this to try to do so.

Nicholas Soames (Mid Sussex) (Con): May I welcome this review, and especially the careful analysis that has gone into it and the conclusions that have been reached? Does the Prime Minister agree that this is just the starting point for a fundamental transformation of defence in this country so that in 10 years' time we will have a defence posture and capability capable of securing the way ahead for Great Britain?

The Prime Minister: My hon. Friend is right. The whole point about this review is that it has a vision for what our forces should look like in 2020—10 years' time rather than just five years' time. Because the Ministry of Defence and the service chiefs can now see their budgets for the whole of the spending review period, they can make proper plans and try to drive some efficiencies through the MOD so that they get even more for the money that they have. We must have reviews every five years. The problem has been that we had a review in 1998, which was not properly funded, and then a sort of scissors crisis, in which the commitments went in one direction and the ability to fund them went in another direction. To stop that happening in future, we need regular defence reviews and that is what we are committed to having.

Derek Twigg (Halton) (Lab): We have now seen some of the biggest cuts ever in defence, as we saw when the Conservatives were last in power. The so-called party of defence is no longer the party of defence. The Prime Minister has already said that we should be out of Afghanistan in five years, no matter what. Do the assumptions he has made assume that that is still the case and that the capability will therefore reduce over those five years?

The Prime Minister: Along with our NATO partners, we believe that there is a clear programme of training up the Afghan national army, police and security forces so that they should be in the lead by 2014. That is our aim, and in addition I have said that by 2015 we should not be in a major combat role or there in major numbers. By then we will have been in Helmand province for longer than the entire second world war. We will have played our part, and I am confident that we are making good progress so that the 2014 calendar to which NATO is committed will go ahead. I do not accept that taking long-term, difficult decisions about the defence of our country makes us somehow anti-defence—the opposite is true. I am passionate about our armed forces, what they represent in our country and what they do on our behalf, but we do not serve them by putting off decisions for the future, making all sorts of airy-fairy promises and then not funding them.

Roger Williams (Brecon and Radnorshire) (LD): It was sad to hear this morning that the appointment of Metrix as the preferred bidder for the St Athan project had been terminated, although we can understand the reasons. It is a disappointment for the armed forces who need those facilities, as well as for Wales and the Welsh economy. The statement also says that

"work on the alternative options will begin as soon as possible".

Can the Prime Minister give us an assurance that the St Athan site will remain prominent among those options?

The Prime Minister: I absolutely can give my hon. Friend that assurance. The current programme and PFI for St Athan is not affordable, but this is not the end of the road for training at St Athan. Training, including fire training, takes place there now, and everybody knows that the MOD and our armed forces need to train together and in fewer places—and St Athan is perfectly placed to bid for that training. There will now be intense discussions between the MOD and others to try to bring that about.

Alison Seabeck (Plymouth, Moor View) (Lab): For obvious reasons, the Prime Minister was not able to list in his statement all the vessels that will potentially be scrapped. Those vessels may include HMS Chatham, HMS Cornwall and HMS Ocean, but those are all due for refit in Devonport. Without that work, 300 jobs will be at risk and the skills base will also be at risk, because there is an 18-month trough in the period in which those vessels will be refitted. What discussions did he have on the issue of the skills base with the defence industries before this announcement?

The Prime Minister: I know the hon. Lady has a very strong constituency interest in this matter, and perhaps I can get back to her in greater detail on the refit programme. I can tell her that HMS Ocean will be going into refit. Clearly, as we have explained, the number of frigates and destroyers combined will be coming down to 19. The decision on the future of HMS Ocean and HMS Illustrious will have to be taken on the

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basis of what is the best platform for the use of helicopters. The best thing is for us, as we go through the details, to tell her more about what I think will be fundamentally good news for both Plymouth and Portsmouth, because we want to keep both naval bases—and keep them busy. The communities there are hugely supportive of our armed forces and give them tremendous backing. I have never believed that it is right to put all our defence eggs into a very small number of bases, as it were, so Portsmouth, Plymouth and Faslane will of course all go ahead.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I commend my right hon. Friend's determination to adopt a more thoughtful and strategic approach. Has he had a chance to read the Public Administration Committee's report "Who does UK National Strategy?", in which the outgoing Chief of the Defence Staff commented that the UK had

"lost an institutionalised capacity for, and culture of, strategic thought"?

Does my right hon. Friend agree that we need a more co-ordinated approach to strategic thinking across Whitehall, and will he adopt the report's recommendations?

The Prime Minister: I absolutely agree with my hon. Friend. That was one of the reasons why yesterday we published the national security strategy separately—so that people could see that the defence review flows from strategic thinking about Britain's place in the world, about the threats we face and about how we can bring all of the Government together to try to deal with that. The National Security Council and the national security adviser, Peter Ricketts—I pay tribute to him and his team for their work—are working well at bringing the Government together to interrogate the experts and really think about what our strategy should be and what that means for the decisions we have to take. That is much better than a two-way battle between the Ministry of Defence and the Treasury.

John Woodcock (Barrow and Furness) (Lab/Co-op): The Prime Minister says that savings can be made in this Parliament by delaying Trident, but can he say what the increased cost overall to the deterrent programme will be of this delay and how this needless risk and uncertainty are showing leadership in the long-term interests of the country?

The Prime Minister: I know that the hon. Gentleman has a strong constituency interest in this matter. I can tell him that overall the cost will be lower—this was a value-for-money exercise. We are driving costs out of the programme, and overall we believe that it will be less expensive. Further good news is that the Astute class submarines are going ahead. Obviously he will have a tortured time ahead as he considers the fact that this Prime Minister and Government support the Trident replacement when his own party is going a bit soft on it.

Dr Julian Lewis (New Forest East) (Con): My right hon. Friend has it in his power to secure the future of the nuclear deterrent until 2055 by holding the vital vote and making the main gate contract decisions in this Parliament, not the next one. He could do that at no extra cost, even if he wishes to delay the introduction of the system. Will he explain his reason for delaying this vital vote into the next Parliament, other than to make our ultimate deterrent a political gambling chip to satisfy the Liberal Democrats?

The Prime Minister: I worked with my hon. Friend for many, many years, and I know that he takes an extremely close and professional interest in this matter. I remember he did it when there was not a single supporter of nuclear deterrence on the Labour Benches. He did a great service to the country. However, I would make two points to him: first, the military advice is that we need to go through the main gate in 2016, not earlier. I would also like to make another, slightly more frivolous point: I am not as lacking in confidence as he is that there will be plenty of supporters of Britain's strong and independent nuclear deterrent in the next Parliament.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Given that the Prime Minister, in his previous answer, cast doubt on the Labour party's commitment to Trident, and given that we know that his coalition partners are against it, may I return to the question he was just asked? Why is he afraid to put this to a vote before 2015?

The Prime Minister: I really think that I have answered the question. The military advice is that 2016 is when we need to go through the main gate. We are going through the initial gate this year. We now have the Backbench Business Committee, so if anybody wants to hold a vote in this Parliament, they can do so, to check that we are going through the initial gate, which we are steaming through this year. I question the Opposition's position, because the leader of the party said throughout the leadership election:

"I have been clear…I believe the right approach is to include the decision about the replacement of Trident in the…defence review".

He is therefore not automatically committed to the full replacement of Trident, so perhaps the hon. Lady ought to have a word with him and put him right on that.

Penny Mordaunt (Portsmouth North) (Con): I welcome the decision that we will build the new carriers. Can the Prime Minister confirm that Portsmouth will be their home and that the Navy can meet its commitments with a surface fleet of 19?

The Prime Minister: I can say yes to both those questions, particularly the second, which is: do we have the naval assets to meet the tasks of tackling piracy, combating drug running, maintaining patrols and suchlike? Yes, we do have that capability, and it is extremely important that that should be on the record.

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): The Prime Minister announced a reduction of 7,000 to the Army. Will he give the House an assurance that this will not include front-line infantry units such as the Royal Irish Regiment, which is currently deployed in Afghanistan? Secondly, I welcome the establishment of the review of the reserve forces and the appointment of our hon. Friend the hon. Member for Canterbury (Mr Brazier). Will the Prime Minister give an assurance that the review will seek to expand the role of the reserve forces in support of our regular forces? Finally, will he ensure

that the Police Service of Northern Ireland and the special forces deployed there receive the support that they need to deal with the threat from dissident republicans?

The Prime Minister: That was very ingenious: the right hon. Gentleman managed to get round your restriction on questions, Mr Speaker, and I think managed to get in at least three. As for regiments, I can confirm that no infantry regiments will be abolished or scrapped as a result of the review. The reduction in the Army numbers will be achieved by reducing the number of headquarters, particularly the divisional and regional headquarters. There may be some impact on logistics and artillery, but no infantry battalions will be altered.

On the reserves, I was personally keen that we should look widely at what other countries are doing on the balance between regular and reserve forces, and ensure that our reserve forces are properly equipped for the sort of modern wars that we have to fight and the modern services that they have to undertake. I do not think that we have done that work yet, which is why I have taken it out of the defence review and said that we should have a proper, separate look.

On Northern Ireland, I can give the right hon. Gentleman the assurance that the last Government gave a number of commitments on the devolution of policing and justice, and the funding that this required, and we will continue with those. We have had a discussion in the National Security Council about these issues and how we best tackle the threat from dissident republicans. I can give the right hon. Gentleman my word that we will continue to give the issue our highest attention, and he will have noticed in the national security strategy that we have put it down as one of the highest priorities for our country, which is right.

Richard Ottaway (Croydon South) (Con): I welcome the Prime Minister's statement that there will be no shrinkage in Britain's role on the world stage. The Royal Navy has fulfilled a number of deployments around the globe for many decades. Can he reassure me that with the reduction in the number of frigates, there will be no reduction in the number of the Royal Navy's commitments?

The Prime Minister: The Royal Navy has said that it is able to undertake its task with this lay down of frigates and destroyers. We obviously have the new Type 45 destroyers coming into service, which are costing something like £1 billion each, and we will have the less expensive, more flexible future frigates coming forward as well. I genuinely mean this point about no strategic shrinkage. We are having to take some difficult decisions, but when we think about how much time we spend in this House talking about natural disasters the world over, and about our role in trying to tackle them, one argument that we need to develop is about how the money that we spend through our aid budget plays a key role in ensuring that there is no strategic shrinkage.

Jeremy Corbyn (Islington North) (Lab): The nuclear non-proliferation treaty commits this country to long-term nuclear disarmament and to take steps to achieve that. The Prime Minister has just announced the replacement of the Trident nuclear system at some point in the future. Is this not illegal under the terms of that treaty, and how much money will it cost us to develop another generation of weapons of mass destruction, when what we need is peace and a nuclear-free world?

The Prime Minister: Our proposals are within the spirit and the letter of the non-proliferation treaty. Also, I did not necessarily come to the House today to try to make the hon. Gentleman happy, but I did announce that we would be reducing the number of warheads on each submarine from 48 to 40, and our operationally available warheads from fewer than 160 to no more than 120, which is all contained on page 38 of this excellent document today, which I commend to him.

Mr James Gray (North Wiltshire) (Con): The communities of Wootton Bassett and Calne, as well as that of Lyneham itself, will deeply regret the loss of the RAF from my constituency to that of the Prime Minister. Will he accept that those communities are absolutely ready to accept soldiers into the vacated base, and that the base itself, which will be vacant by the end of next year and is close to Salisbury plain, is ideally suited to brigades returning from Germany?

The Prime Minister: My hon. Friend has stood up for Lyneham with vigour and tenacity for many years, and I commend him for that. This is a good opportunity to put on record the respect that everyone in this House and in the country has for the people of Wootton Bassett for what they have done. I am in the embarrassing position of having in my constituency the premier RAF base, Brize Norton, which, I am afraid, does not particularly suffer from the announcements made today. My hon. Friend has made a good suggestion for the future of Lyneham, and I am sure that he can pursue it with the Ministry of Defence.

Mrs Madeleine Moon (Bridgend) (Lab): There are human costs attached to the 42,000 job losses across the Ministry of Defence and the military that have been announced today. Can we have an assurance that those people who are losing their jobs in the Ministry, the civil service, the military and the defence industry will be given help and support to relocate, and that their housing needs will be addressed, given the housing cuts that have been announced in the past few days? Can we have an assurance that the people who have served and offered their lives for this country are not going to be discarded?

The Prime Minister: I can absolutely give the hon. Lady that assurance. We want to ensure that as many of the job losses as possible are found through voluntary redundancy and retirement, rather than through making people redundant. I can also confirm what has been said before, which is that we will obviously not be making anyone redundant who is in Afghanistan or whose units are in Afghanistan. That will not be happening; that is extremely important.

In terms of the industrial base, of course there will be impacts—for instance, with the decision on Nimrod—but if we look across British industry as a whole, and at the decisions on shipbuilding, on the A400M and on the joint strike fighter among many others, we can see that there is a strong future for defence manufacturing in our country.

Let me just put on record how much we should value the MOD's civilians and how hard they work, because I know that they sometimes feel undervalued. I was at the

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Permanent Joint Headquarters today and saw many civilians working alongside their military counterparts to co-ordinate our efforts in Afghanistan; they were doing a fantastic job. It is right that we reduce the number of civilians in the MOD—it has got too big—but we need to ensure that we do it in as sensitive a way as possible.

Mr Julian Brazier (Canterbury) (Con): I thank my right hon. Friend for the honour that he has done me in putting me on to the commission. I also find it deeply humbling that five parliamentary colleagues have been among the 27,000 men and women who have served in Afghanistan and Iraq as reservists over the past eight years. I welcome this wide-ranging study, and my right hon. Friend made it clear that it goes across all three services and will look at the balance between regulars and reserves. Has he thought about who else he might put on to the commission?

The Prime Minister: First, I thank my hon. Friend for taking part in this. I want the vice-chief of the defence staff, General Nick Houghton, to lead it, and I think that my hon. Friend should be the deputy. General Lamb, who has served our country outstandingly in Iraq and Afghanistan and was taken on personally by the Americans in Afghanistan because of the great work he has done, has also agreed to serve. My Parliamentary Private Secretary, my hon. Friend the Member for New Forest West (Mr Swayne) is one of the many people in the House who has served in the reserve forces, but I am afraid that he will not be free to do this. I once suffered a capability gap when he went to Iraq during the last Parliament in the rather hard-to-explain role of liaising with the Italian forces—something I know everyone thinks he is uniquely qualified to do.

Caroline Lucas (Brighton, Pavilion) (Green): Given that a nuclear attack on the UK by another state was judged by yesterday's national security strategy to be of "low likelihood" and in the light of the formal exclusion of Trident from the strategic defence and security review, will the Prime Minister use the delay in the Trident main gate decision to allow a full public review of the necessity of nuclear weapons?

The Prime Minister: I think that there will be a continuing debate in this country about nuclear deterrence. I have been through the arguments in my own mind a thousand times, and I always come up with the same answer, which is that, in an uncertain, unsafe and dangerous world, with countries like Iran trying to get a nuclear weapon, it would be a profound mistake for Britain to discard her nuclear weapon. But this debate can always take place in this House. I think that my party has a very settled view on it, and the White Paper safeguards that, but it is for others to make up their own minds.

Mark Lancaster (Milton Keynes North) (Con): I remind the House of my interest. Will the Government match their commitment to conflict prevention with an expansion of the stabilisation unit and greater use of our specialist reserves in a military stabilisation and support group?

The Prime Minister: My hon. Friend, who has served in Afghanistan and has expertise in bomb disposal—we should give him credit for that—makes a good point. The whole point of taking the reserves out of the review and of having a separate, longer and more thoughtful look is precisely to answer the sort of question that he puts. When it comes to what is called "hot stabilisation", I think it is right to try to develop units where we bring the military and civilians together. Then, in that vital golden hour when we have gone into a community, we can start to get things done so that the population is on our side rather than against us. If we are to have more of what have been called "wars among the people", we must make sure that we are properly equipped to deal with them.

Joan Ruddock (Lewisham, Deptford) (Lab): I have always supported the case for greater conflict prevention, but conflict prevention needs to be understood and practised by the military themselves. How will the Prime Minister guarantee the continuing and proper focus of the Department for International Development on women, children and achieving the millennium development goals if a third of its budget should be reallocated to conflict prevention, which is something quite different?

The Prime Minister: I would say that conflict affects women and children and that broken states have the worst records on poverty and development. Far be it from me to recommend a reading list to the right hon. Lady, but Paul Collier's work on the bottom billion and broken states backs up the case for how we should use our DFID budget—yes, for meeting the millennium development goals; yes, for vaccination and malaria reduction and all those extremely worthwhile things; but I think we are mad if we do not put money into mending broken states, where so many of the problems of poverty arise.

Mark Menzies (Fylde) (Con): At Warton and Samlesbury, we have a world-class work force building world-class aircraft, but I need the Government to commit and get behind BAE Systems to ensure that those aircraft succeed in a highly competitive world market.

The Prime Minister: I strongly support our defence industrial base, which is one of our great industries and a great export earner for our country. We should support it. However, when we were looking at how to make this very difficult budgetary situation work, I checked the figures and found that between 2011 and 2015, we will be spending £17 billion with BAE Systems. We are an enormous customer for it. Just as it behoves us as a Government to spend responsibly and think of our industrial base, so it must ensure that we get value for money for the very many millions we spend.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): I find it passing strange that the Prime Minister made no reference in his statement to the defence training academy at St Athan and then failed to answer a direct and simple question from my right hon. Friend the Leader of the Opposition. Has the Prime Minister not been told that the academy is cost effective, delivers savings and will improve the quality of training for our armed services? He talks about professionalism and flexibility, so how does it make sense to axe it?

The Prime Minister: This is what the defence review was all about—asking some of these difficult questions. The conclusion on St Athan was that the current private finance initiative is not right and is not working. That is why, although we recognise St Athan as a great base for training—important training takes place there now and much training can take place there in the future—we need another look at ensuring that it is right and provides value for money at the same time. That is what is going to happen, and I am sure that the right hon. Gentleman, as a former Secretary of State and former First Minister, will want to get involved in that.

Gordon Birtwistle (Burnley) (LD): I welcome the Prime Minister's commitment to fast jets. Will he confirm that the final tranche of the Eurofighter will be placed?

The Prime Minister: We are supporting and, of course, upgrading Eurofighter because it is important that it has a ground attack capability. What this document sets out is the total force of Typhoon and joint strike fighter that we anticipate having as part of our 2024 structures.

Mr Ronnie Campbell (Blyth Valley) (Lab): The Prime Minister may not be aware that my son is serving in 40 Commando Royal Marines, and has just returned from duty. He tells me that when he asked the RAF for a helicopter to take his men into the field, he was told, "We do not fly in the day because we are being shot at." Will the Prime Minister have the matter investigated?

The Prime Minister: Certainly. I do not think that it would be right to exchange operational points across the Floor of the House of Commons, but I shall be happy to look into the case that the hon. Gentleman has raised.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): I thank the Prime Minister for his commitment to the aircraft carriers—I am very grateful for that—but is he in a position to confirm that Plymouth Devonport in my constituency will continue to play a major role in the defence of our country, and will remain a premier naval port?

The Prime Minister: I can absolutely confirm that. The decisions that we make through this process will clearly have impacts on Portsmouth and on Plymouth Devonport, and we shall have to work through those because of the different lay-down of ships and forces. However, I can confirm my belief that fundamentally, for the long term, this is good news for both Plymouth and Portsmouth.

Mr Gordon Marsden (Blackpool South) (Lab): Thousands of aerospace workers across Lancashire, including hundreds in my constituency who work at BAE Warton and Samlesbury, will want to know the practical implications of these warm words about a Typhoon fleet, the joint strike fighter and a growing fleet of unmanned air vehicles. Incidentally, all those were previously Labour Government policy. As the Prime Minister has already given us an ambiguous answer on the issue of Eurofighter Typhoon, will he now give us a more substantive answer on whether he will support research and development and investment in Taranis?

The Prime Minister: Of course all those things, and many others were Labour policy. That is the problem. There was no prioritisation, and no sign of how any of it was to be paid for. It is the easiest thing in the world to rack up a defence budget that is £38 billion overspent, but it is a difficult thing to come in and work out what is to be kept and what cannot be kept, and that is what we have had to do.

As was pointed out by my hon. Friend the Member for Mid Sussex (Nicholas Soames), this is, in some ways, the start of a process. The document makes clear how many fast jets we expect to have in 2020. We now have to make decisions between the joint strike fighter and the final tranche of Typhoon. There is extra money for unmanned aerial vehicles, and I think that anyone who has been to Afghanistan and seen the incredible work that is being done there knows that that is a capability in which we should be investing. Let me repeat, however, that it cannot be invested in unless difficult decisions are made elsewhere. We have done that, and the Labour Government did not.

Several hon. Members *rose*—

Mr Speaker: Order. These are hugely important matters, and I should like to accommodate some more colleagues, but greater brevity is now vital.

Rory Stewart (Penrith and The Border) (Con): One of the fundamental problems of the last eight to 10 years has been the split between foreign policy and defence. Will the Prime Minister please tell us what steps are being taken to ensure that not just the National Security Council, but the Joint Intelligence Committee and the Foreign Office, really drive us to have the right resources and the right priorities?

The Prime Minister: I am going to sound a bit like a stuck record on the National Security Council, but it really has struck me over the last few months that when it comes to issues such as how we respond to the Pakistan floods, what we do to help Haiti, how we go through the defence review and what is the future of our development programme, the fact that the Foreign Secretary, the Secretary of State for International Development, the Business Secretary and the Secretary of State for Environment, Food and Rural Affairs are all sitting around the table discussing the issues means that decisions are not being made in silos. Much of what the Ministry of Defence does has a huge impact on our foreign policy. Our fleet of frigates is hugely influential in building relationships the world over. I think that the fact that we are all working together much more positively than has been the case in the past solves the problem to which my hon. Friend has alluded.

Thomas Docherty (Dunfermline and West Fife) (Lab): Can the Prime Minister tell us whether Rosyth dockyard's frigate refit orders between now and 2013 will go ahead? If I understand the document correctly, he has put back the Queen Elizabeth's entry date, and we note that there is no entry date for the Prince of Wales. What does that mean for the work force at Rosyth and elsewhere? Will we simply see a continuation of the policies of the right hon. and learned Member for Kensington (Sir Malcolm Rifkind), and the destruction of the Scottish shipbuilding industry?

The Prime Minister: Given that the Government are going ahead with building both carriers, I think that that is not exactly gratitude.

The Queen Elizabeth is not being "put back" in terms of its manufacture. Once it has been manufactured, we will fit the "cats and traps"—the catapults and arrester gear—to the operational carrier, so that it can then work with the carrier version of the joint strike fighter, which is a better aircraft than the one that the last Government ordered. That will make it fully interoperable with our closest allies, the Americans and the French. So there is not a delay in the production of the carriers, as the hon. Gentleman says. Some extra equipment needs to be added.

Mr Gary Streeter (South West Devon) (Con): The Prime Minister will be aware that his words of support for Plymouth naval base will be extremely well received in the west country this evening, but can he say a few more words about the Royal Marines? Does he agree that they will have a glorious future in serving our country and its defence as well as a glorious past?

The Prime Minister: I can absolutely give my hon. Friend that assurance. The Royal Marines have done fantastic work for our country over recent years, not least in Afghanistan. I know how loved they are, not just in the south-west but across the country. There will not be a reduction in their capabilities but clearly, just as with the Army, there will be some regard to ensuring that there are not issues of top-heaviness, if I can put it that way. The Royal Marines are here to stay. They do a fantastic job and will go on doing so—so much so that I have actually employed one as a private secretary.

Eric Joyce (Falkirk) (Lab): The Prime Minister has mentioned a reduction in service numbers. Can he give us his assurance that that will not involve the use of manning control points as a cheap alternative to proper redundancy payments?

The Prime Minister: Yes.

Mr Robert Walter (North Dorset) (Con): The national security strategy yesterday and the Prime Minister today both emphasised cyber-threats and communication. The Prime Minister will be aware that there is tri-service training in communication and information systems at the defence college at Blandford in my constituency. The 3,000 people who depend on that for their jobs will welcome the Secretary of State's announcement this morning on the Metrix decision, but can the Prime Minister assure me that defence training decisions will be focused on centres of excellence such as Blandford, and not on political considerations?

The Prime Minister: Yes, all these decisions should be based on proper military logic—what is right for the armed forces—and that is what we want to do.

Owen Smith (Pontypridd) (Lab): May I ask the Prime Minister about the important issue of the defence training college at St Athan? As he knows, there will be profound disappointment in both the military and south Wales generally at the cancellation or postponement—I cannot tell from the statement which it is. He has referred several times today to the PFI deal as somehow not being right. What is wrong with it exactly, because we understood it to be providing good value for money?

The Prime Minister: The contract is not working. The work for which contracts have already been met will continue to completion, but new contracts will not be started. Turning to the future, we continue to believe that technical training co-located on as few sites as possible is the best solution for our armed forces. St Athan was previously chosen as the best location at which to co-locate that training, and it was chosen for very good reasons. Those good reasons remain. That is why I have said that this is not the end of the road for St Athan, and we can work hard to try to find a good solution for the future.

Mr Edward Leigh (Gainsborough) (Con): I have noted time and again in the past that brave new talk of co-operation with the French has dribbled into the sands partly because of British Aerospace's understandable preference for commercial relationships in the United States. Will the Prime Minister explain how he will drive this process forward personally with President Sarkozy, because we are the only two nations in Europe that can propel our power, and we will either swim together or sink separately?

The Prime Minister: I am delighted that someone with such impeccable Eurosceptic credentials shares my view that this is a really worthwhile thing for our country to do. Let me explain what has changed: first, President Sarkozy is extremely keen on this defence relationship; secondly, he has put France straight into the heart of NATO; and thirdly, we both face the same pressures. We both have full-service armed forces: we both have very effective navies and air forces, and troops that really can make an impact on the ground. We both want to maintain and enhance those capabilities and I believe that, together, there is a huge number of things we can do. I am working on a programme with President Sarkozy—I have already discussed it with him—in advance of our summit that will take place soon, and I hope my hon. Friend will be pleased with the results that I think we will be able to deliver.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): Can the Prime Minister confirm that the 2010 GDP pledge does not include the cost of Afghanistan?

The Prime Minister: On the NATO figures, what I can confirm is that in terms of the NATO definition of what 2% should include, we are comfortably ahead of that 2%. Obviously, it does include current military operations and other military expenditure. It is all set out. If the hon. Gentleman likes, I can give him all the figures I have seen, because there are quite a lot of competing figures for who spends what. Fundamentally however, in terms of GDP we are the third highest in NATO. The Americans are first; the Greeks are second, for some historical reasons that I am sure the hon. Gentleman will understand; and the UK is third, ahead of France and the others.

Mark Pritchard (The Wrekin) (Con): May I welcome the Prime Minister's considered statement and, in particular, his important reference to cyber-security? Does he agree that if cyber-security is to be effective, there needs to be a real working partnership with the private sector, particularly as regards critical national infrastructure?

The Prime Minister: My hon. Friend is absolutely right. This is not about some great big Government organisation spending lots of money on cyber; there has to be engagement with private sector organisations that have the expertise. As hon. Gentlemen on both sides of the House will know, when the Government come up with a new programme and some new spending, everyone suddenly becomes in favour of extra cyber-things. We have to make sure that the money is well spent and well targeted, and that we use experience from the private sector.

Andrew Miller (Ellesmere Port and Neston) (Lab): Perhaps the Prime Minister would listen to me. Will he answer a simple question? He refers to more flexible, modern frigates being less expensive. I know that he would not want to put our sailors at any risk, and that those ships will therefore have the same, if not better, defensive capabilities. Will he describe what this modern, cheaper frigate looks like?

The Prime Minister: They should have a range of capabilities. The point that I would make to the hon. Gentleman is that the Type 45 destroyers, which are extremely capable, are costing £1 billion each. When one looks at the tasks that we want our Royal Navy to perform in the future, which include combating piracy and drug running, and undertaking other patrol duties, there is a case for saying that the future frigate programme should be less expensive and more flexible. That is what the commissioning process will try to deliver.

Dan Byles (North Warwickshire) (Con): As a former soldier, may I thank the Prime Minister for the close personal interest that he has taken in making sure that the review came out in the way that it did? Does he agree that it will only be possible to rebalance our force structures within this sort of spending envelope if we get to grips with the disastrous procurement process that we inherited, and will he confirm—

Mr Speaker: Order. One question is quite enough.

The Prime Minister: My hon. Friend is absolutely right: procurement is extremely difficult, but we have absolutely got to do better. One of the decisions that my right hon. Friend the Secretary of State for Defence has made is to get Peter Levene back into the Ministry of Defence to look at some of those issues. It is vital that we try to improve on the record that we have inherited.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Two years ago, when jobs were threatened at the QinetiQ Hebrides range—that is where Type 45s, among other defence assets, exercise—the current Defence Secretary and Armed Forces Minister joined me and the Hebrides range taskforce in forcing the then Labour Government into a U-turn. Will the Prime Minister join them in their support of the Hebrides range by valuing its work?

The Prime Minister: We have not made decisions about that yet, but what I can say is that the hon. Gentleman can see the overall lay-down that we have set out, in terms of the Type 45s, the frigates that we will retain and the future frigate programme.

Mr Oliver Heald (North East Hertfordshire) (Con): I welcome the statement, but does the Prime Minister agree that one of the problems with delaying decisions over the years is that one ends up with a military strategy that does not meet modern threats? Does he agree that, for the future, it is vital to have a flexible, adaptive strategy that means that we are up to date with modern technologies, whether they are action in cyberspace, unmanned aerial vehicles, or other technologies?

The Prime Minister: My hon. Friend is right. One of the reasons for having more regular defence reviews is so that we force ourselves to ask these difficult questions more often. Where one can sometimes bring forward a programme that has been delayed, one should. That is what we are doing with the A400M because, frankly, we need to replace the ageing transport fleet, and the sooner we do it, the better.

Mark Hendrick (Preston) (Lab/Co-op): In his statement, the Prime Minister made quite clear his support for Eurofighter Typhoon and the joint strike fighter. Can he tell the House how many fighters of the tranche 3B type he will be ordering, and whether he will be ordering the joint strike fighter for the new aircraft carriers?

The Prime Minister: We aim to have 110 Typhoons by 2020—the figures are all set out in the document—but clearly the balance between the two is something that we have to make decisions about. I think that one can see the general thrust, which is that we will be based around two fast jet types, the Typhoon and the joint strike fighter. I am sure that that is the right strategy.

Claire Perry (Devizes) (Con): My constituency of Devizes is home to more than 10,000 soldiers, plus a huge number of families and MOD civil servants, many of whom will welcome some of the uncertainty that has been removed by the Prime Minister's statement today but who will have great concerns about the detail underlying it—about the boarding school allowances, the Army recovery centre at Tidworth and so on. When will they finally get information about what will stay and what will be cut?

The Prime Minister: My hon. Friend makes a very good point. We have not yet announced the full range of allowance changes. This is important—we are seeking some savings, and I do not hide from hon. Members the fact that this will involve some difficult decisions. There is one bit of reassurance—the Army is coming back from Germany, which involves 20,000 troops. I think that we spend something like £250 million a year on allowances for those troops in Germany. Obviously, having them back at home will change the cost structure and enable us to change some of the allowances, but we will be making further announcements.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): May I unequivocally welcome the announcement on the aircraft carriers? It took long enough. However, may I clarify whether the provision of the catapults and the rest of the gear will delay in any way the production of the carriers and have any job implications and whether it is intended that the Type 26 work will proceed to the already announced timetable?

The Prime Minister: The answer to the second half of the hon. Gentleman's question is yes. On the carriers, it will not delay their manufacture and production. What it means is that as the first is produced, the most logical step would be to fit the "cat and trap" to that carrier, which will therefore come fully into service when the carrier version of the joint strike fighter arrives at the same time. We will have solved one of the inherited problems of bringing the two things together. Clearly, an alternative would be to fit the "cat and trap" to the second carrier, but the most logical way ahead is the one that I have set out.

Alun Cairns (Vale of Glamorgan) (Con): My constituents and I—and, it seems, many other Members in the Chamber—are naturally disappointed that the Metrix proposal for St Athan will not go ahead. Will the Prime Minister confirm that St Athan remains central to defence training and will he make available some of his officials to provide a detailed breakdown of why Metrix was not suitable?

The Prime Minister: I am very happy to do that. I know how strongly people feel about this in south Wales and I know how important this decision is, so I am happy to make officials and Ministers available to meet my hon. Friend to explain the thinking. As I have said, this is not the end of the road for St Athan. There are many opportunities to concentrate training at that excellent resource and so, I think, he can continue to fight hard for his constituents.

Hugh Bayley (York Central) (Lab): Lord Robertson's strategic defence review was so well regarded internationally that he was made Secretary-General of NATO and his thinking shaped NATO's strategy for a decade. Next month, the Prime Minister goes to the NATO summit in Lisbon to agree the new strategic concept. All four of his priorities are already in the concept. What is new enough and strategic enough for this defence review to shape NATO's policy over the next decade?

The Prime Minister: There are a number of things that are new. The emphasis on a national security strategy in the round is new. The emphasis on cyber is new. The fact that we have prioritised national security tasks is quite high risk, frankly. If things happen that are in priority two or three, people will clearly be able to say that that should have been priority one. We have taken some risks with this process. I would also say that the force structure and the equipment going with the forces—making them more adaptable and flexible—is something, too. I expect other NATO countries will have to go through this process of making changes to their defence posture at the same time as trying to deal with their deficits.

Mr John Baron (Basildon and Billericay) (Con): Despite the futility of the Afghanistan war, our troops deserve the greatest support. In part, they have suffered from a lack of equipment and numbers. Can the Prime Minister guarantee that this review will not only ensure that there are no cuts in support but that there is increased support, should our troops require it in the future?

The Prime Minister: Yes, absolutely. As I say, Afghanistan is funded through the Treasury reserve but we cannot entirely insulate what happens in funding for Afghanistan from decisions made elsewhere in the defence budget. As I said in my statement—I wanted to get this in—any time the chiefs of staff said that a decision could impact on Afghanistan either now or in the future, such as the decision on whether to go ahead with the Puma refit, I took the decision that we should go ahead with it to ensure that there is no danger of any shortfalls in equipment. That should be our first concern. They are on the line for us every day, and I never forget that.

Huw Irranca-Davies (Ogmore) (Lab): May I say how much I agree with the Prime Minister, particularly on the occasions at the conference in Manchester on which he said that he was committed to the defence training academy, and with his hon. Friend the Member for Vale of Glamorgan (Alun Cairns), who said it had to be won because it was the right military thing to do? However, I am still not clear, and perhaps the Prime Minister could answer me on this point. Is there are future for the defence training academy at St Athan, whether it is run by Metrix or anybody else?

The Prime Minister: Fundamentally, yes, there is a future for defence training at St Athan, as I have said. We need to make sure that more is done on a tri-service basis and that more is concentrated in fewer places. St Athan is uniquely well qualified for that but the current private finance initiative was not working—the MOD could not get it to work in the way that it wanted—so we have to start again. This is not the end of the road.

Nadhim Zahawi (Stratford-on-Avon) (Con): Cyber-security is a relatively new threat. Are we lagging behind other countries?

The Prime Minister: With the announcements that we have made in the national security strategy and today, I do not think that we will be lagging behind. We have considerable expertise both in our private sector and with GCHQ, and this is an opportunity to build some competitive advantage.

Geraint Davies (Swansea West) (Lab/Co-op): This is financial, not strategic. The defence academy in south Wales has been cancelled, the Royal Navy will be without carriers for the first time since world war two—*[Interruption.]* There will be an eight-year gap. Does this herald the end of "Britannia rules the waves" and the start of "Cameron waves the rules"?

The Prime Minister: I am afraid that the hon. Gentleman's break from Parliament did not do anything for his temper or his nature. He is completely wrong. We have to get these decisions right for the long term and, as I have tried to explain, a politically easier decision would have been a militarily wrong decision. That is a good way to start.

Matthew Hancock (West Suffolk) (Con): Last week, the Public Accounts Committee heard from Sir Bill Jeffrey, who said that the lack of a strategic review over the last couple of years had made the situation in the defence budget more difficult. I welcome the Prime Minister's assurance that there will be a strategic defence review every five years, but what can he do to entrench that and to ensure that the shambolic position of there having been no review for 12 years never happens again?

The Prime Minister: I hope that it can become accepted between all parties in the House that we have five-yearly reviews. There is a provision for similar reviews in America. Given all the things that have happened since 1998—Bosnia, Iraq, Afghanistan, Sierra Leone and 9/11—I think that future generations will find it very hard to understand why there has been no defence review.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Earlier, the Prime Minister sounded the death knell for Kinloss as an RAF station, but he did not respond to the question about Lossiemouth. Will he tell the House and the people of Scotland, all of whom are interested in this, what the future is for Lossiemouth and for RAF recruitment in Scotland?

The Prime Minister: I said that we are going to look at all the bases and see clearly what impact there is on Kinloss and Lossiemouth from the announcements about what the RAF's lay-down is going to be. Clearly, there will be opportunities as British forces come home from Germany, so we will look at all bases and see what can be done. As I said in the statement, it is important that we consult all the communities who have given so much support to our forces over many years and that we do not rush these things.

Several hon. Members *rose—*

Mr Speaker: Order. I am sorry to disappoint some colleagues, but I have allowed the statement to run rather longer than is customarily the case for statements, in recognition of the enormous importance of the issue, but we must make progress. *[Interruption.]* I could never forget the hon. Member for Stone (Mr Cash) and I would not try.

Points of Order

5.3 pm

Mr William Cash (Stone) (Con): On a point of order, Mr Speaker. I wish to raise what happened last night regarding amendment 3 to the Parliamentary Voting System and Constituencies Bill. Many people judged what happened to be a breach of the underlying conventions of the House—the spirit of the rules—irrespective of the precision that could be applied to the Standing Orders themselves. We saw the cynical adoption of amendments with which the coalition Government clearly disagree merely to induce a negative vote. No opportunity was given for my amendments or those of other hon. Members to be debated or voted on in Committee. The threshold amendments are about percentages and proportionality, as is the principle of the Bill itself. I urge you to protect the underlying fundamental conventions of the House and the spirit of the rules on this matter on Report.

Mr Speaker: Before I respond to the hon. Gentleman, I think the House will want to hear from the Deputy Leader of the House.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): Further to that point of order, Mr Speaker. I am most grateful to you for letting me respond. It was entirely regrettable that we did not reach what was an important group of amendments last night. Clearly, the House wanted sufficient time to take a view on the matter, which was why the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), quite properly indicated that he would put the amendment before the House to give Members the opportunity to take a view on it. In the end, they decided not to take a view; there was no one in support of the amendment. However, having taken account of yesterday's events, and given the important matters that we have to debate today, may I draw the House's attention to the programme motion that we will shortly be taking a view on? It will take away any knives this evening, which means that if we do not complete clause 9 this evening, we will be able to continue discussion tomorrow. That seems to me an entirely appropriate course of action.

Mr Speaker: I am grateful to the Deputy Leader of the House for what he said. I am trying to wrap it up, but of course we must hear from Chris Bryant.

Chris Bryant (Rhondda) (Lab): Further to that point of order, Mr Speaker. I think the Deputy Leader of the House is somewhat mistaken in his interpretation of what happened yesterday evening. I think there was a clear desire by many hon. Members not just to debate the particular issue of thresholds but actually to debate clause 6, which has not been debated at all in any shape or form in this House. *[Interruption.]* The Parliamentary Secretary is saying from a sedentary position that I was wasting time. I profoundly object to the fact that when we choose to scrutinise his legislation, he is calling into question my good faith.

The truth of the matter is that the Government did not provide enough time for the debate. In addition, the Deputy Leader of the House last night, when he suggested

[Chris Bryant]

to me that he was bringing forward this new motion, said that it was because all the rest of the stuff that we were going to debate tomorrow was a pile of dross and did not need very much analysis. I hope that there will be a process of ensuring that the House of Lords is made fully aware of the fact that today's programme motion makes absolutely no difference to whether or not yesterday we had any opportunity to consider the three clauses and three schedules that were before the House.

Mr Speaker: I certainly cannot go into all of that. Suffice it to say that I think the point that the hon. Gentleman has just made constitutes a self-fulfilling prophecy; in so far as he is concerned that the other place should be aware of his interpretation of last night's events, he has made it aware of his interpretation by what he has just said. It is on the record and I am sure it will be studied carefully there and elsewhere.

I am grateful to the hon. Member for Stone (Mr Cash) for giving me notice of his point of order. It is not for me to rule on what has happened in Committee of the Whole House. On the wider issue he raises, it is not unprecedented—the hon. Gentleman has been a Member of the House since 1984, so he will testify to the truth of this—for a Minister to move a Back-Bench amendment, even if he or she does not wish to vote for it. As the First Deputy Chairman said last night:

"What the Government propose is orderly under Standing Order No. 83D(2)"—[*Official Report*, 18 October 2010; Vol. 516, c. 767.],

although it is, as some hon. Members have observed—including, today, the hon. Gentleman—somewhat unusual. I am sure that hon. Members will also have noted the opportunities open to them, as has been remarked, on Report. Members present will certainly have noted what the Deputy Leader of the House has just said.

I hope that is helpful; I am not keen to take, and indeed I am keen not to take, further points of order on that matter, but I think we have a point of order from Mr. Andrew Rosindell.

Andrew Rosindell (Romford) (Con): On a point of order, Mr Speaker. You will recall that on 27 July this year, I raised a point of order in the House with regard to the 20th anniversary of the murder by the IRA of the late Ian Gow, Member of Parliament for the Eastbourne constituency. I asked whether it might be possible for you, Mr Speaker, to consider a permanent memorial to Ian Gow in this House, and I wonder if today you may be in a position to update us on any progress you may have made in that respect.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order and, thankfully, I am in a position to update the House. The hon. Gentleman came to see me about this matter last week, together with the noble Lord Howe of Aberavon, in order to underline their strength of feeling on the subject and to articulate the request for some such memorial. I undertook on that occasion to the hon. Gentleman and to the noble Lord to seek to ensure that the matter was placed on the agenda for the immediately following meeting of the House of Commons Commission. I put it on the agenda, and I had the benefit of a detailed letter from the noble Lord.

The matter was considered at the House of Commons Commission meeting last night, and I am pleased to advise the House that the Commission decided unanimously that there should be a permanent memorial to the late Ian Gow, and that that would likely take the form of a plaque. That plaque would be put up in the Chamber of the House of Commons, similar to the plaque that has been long established in recognition of the distinction and terrible fate of the late Airey Neave.

I can also inform the House that the detailed discussions about what will now happen and the form that the plaque will take will get under way very speedily. I hope that Members in all parts of the House will recognise the merit of the case for such a plaque, which I know will be greatly appreciated by members of Ian Gow's family and by a great many people besides in all parts of the United Kingdom. I hope that is helpful to the House.

House of Commons Disqualification (Amendment)

Motion for leave to introduce a Bill (Standing Order No. 23)

5.10 pm

Mr Peter Bone (Wellingborough) (Con): I beg to move,

That leave be given to bring in a Bill to disqualify for membership of the House of Commons any person who holds the office of Parliamentary Secretary to the Treasury, Deputy Chief Whip, Government Whip, Assistant Government Whip, Chief Opposition Whip or Assistant Opposition Whip; and for connected purposes.

I am introducing the Bill to rebuild trust in politics. We have a problem in Parliament. A Bill

"gets sent to the House of Commons where it's debated without diligence—because automatic guillotines cut time short. It's passed without proper scrutiny—because standing committees for Public Bills are stuffed with puppets of the Government. And it's voted through without much of a whisper—because MPs have been whipped to follow the party line.

We've got to give Parliament its teeth back so that people can have pride in it again—so they can look at it and say 'yes: those MPs we elect—they're holding the government to account on my behalf.'"

Those are not my words, but the words of my right hon. Friend the Prime Minister. One may even say that his words are uttered in the same spirit as those of Edmund Burke, the great Conservative thinker, who in 1774 said of the perfect Member of Parliament that

"his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice . . . to any set of men living."

That is what we as Members of Parliament should do, and what Parliament itself was set up to do. We should be acting on behalf of our constituents and, using our "'unbiased opinion" and "mature judgment", scrutinising every piece of legislation that comes our way to hold the Government properly to account, regardless of party politics. But Burke could surely not have foreseen how difficult it is today for a Member of Parliament to live up to his ideal. Sadly, all too many of us do indeed succumb to pressure from a very particular "set of men living"—that is, the flatterers, cajolers and sometime bullies who make up our party Whips.

Parliament was originally intended to act as a check on the Executive and to hold it to account, yet with the advent of the party and such concepts as party loyalty and party manifestos, Members of Parliament have put their individual judgment to one side increasingly frequently and, more often than not, are treated by the Whips as little more than sheep. In fact, the Whips even divide Members into groups which they call flocks. These flocks are then blindly herded into Division Lobbies and told to vote a particular way on a subject that they know nothing about. Many Members of Parliament today go through the Lobby not even knowing what part of the Bill they are voting on.

Such behaviour is an insult to our constituents and to British democracy. It was particularly bad under the last Labour Government, when the Whips, working in secret, skilfully used flattery, enticement, patronage, threats and downright bullying to get Members of Parliament to ignore their better judgment and, in many cases, the opinions of their constituents, and vote in whichever way the former Prime Minister wanted. The ways of the Whips Office are, by their very nature, secretive. After all, what party would want the public knowing precisely to what lengths a few men and women will go to secure what they arrogantly assume to be the best option for the country?

Let me give the House just one story, an example of how the Whips blatantly use disinformation even in the current Session. The disinformation in question concerned the Backbench Business Committee. The Whips sent an e-mail to Members claiming that the Committee had decided always to hold its business on a Thursday and to table motions for discussion only a day or so before. Both those alleged facts were completely incorrect. It was in fact the Whips Office that decided that the debate should be on a Thursday, against the advice of the Wright report, and the Committee should have been given earlier days in the parliamentary week, not Thursdays. It was also entirely untrue to state that the Committee tabled motions only a day or so before the debate; the Committee normally provides several weeks' notice. The purpose of that disinformation was clearly to show the Committee in a bad light to Members, because it will inevitably take power away from the Whips.

It is frankly astonishing to think that, in an age when employees have more rights than ever before, and workplace bullying has thankfully become increasingly unacceptable, Members are still treated in such a manner. If I were to treat my staff in that way, even for an instant, I would quite rightly be taken to an employment tribunal and sued faster than you can say, "Your career is over." Yet, it is through those unsavoury and often underhand methods that the Whips ensure that the party line is strictly obeyed. The public are therefore denied independent-minded Members and, indeed, the Parliament that they deserve.

What is more frustrating is that the individual members of the Whips Office are often very talented Members who would be better employed helping to run a Department or seated on the Back Benches holding the Government to account, rather than wasting their time as Whips. In my experience, Whips are extremely hard working and carry out their functions, including their pastoral care, with great diligence. Nor am I saying that they have not in the past usefully performed certain functions to ensure the smooth running of the House, such as communicating Back-Benchers' views to the leadership and vice versa, and organising House business. Yet, with the admirable and long-awaited changes to Parliament which our new Government have already enacted, such as setting up the Backbench Business Committee and the soon-to-be-created business of the House committee, business could be organised perfectly well without the Whips and the usual channels.

Although my Bill would abolish the position of Whip, it would not abolish the Whips Office, an entity already run by civil servants and which would continue to deal with day-to-day House administration. As for the channels of communication between the leadership and Back Benchers, in each party there are vocal Back-Bench groups, such as my party's 1922 committee, which perform such a function admirably and efficiently.

The position of Whip could be made redundant easily. The only role left for Whips to perform is that of strong-arming Members and ensuring a less democratic and efficient Parliament as a result. The public are clearly crying out for a change in the way that Parliament

[Mr Peter Bone]

operates. They want a less powerful and overbearing Executive, and Members who are able to represent their views and use their judgment, not Members who act just as Lobby fodder in order to rubber-stamp the decisions of the Executive, blindly following the party's view and not even knowing what Bill they are voting on.

This Parliament is moving steadily towards a separation of its powers from those of the Executive. My Bill is a further step on that progressive journey. In fact, it would benefit not only British democracy but the British economy. Following recent events, the public have become increasingly irritated by the scale of expenditure, yet by abolishing the Whips' positions we would save approximately £6.5 million per Parliament in ministerial salaries—a quite extraordinary amount. Surely it is only right that alongside the Prime Minister's plans to reduce the number of Members of Parliament, we make at least some effort to reduce the size of the Government.

I should like to end by quoting the words of a man who I know has the best interests of our democracy and our country at heart:

"We will give the House of Commons more control over its own timetable so there is proper time for scrutiny and debate. We will make MPs more independent, with more free votes so that they can vote as they wish and not as they're told to."

Those were the words of our new Prime Minister, uttered in 2009 in his powerful speech about rebuilding the connection between Parliament and the people. I am introducing this Bill to try to help the Prime Minister to achieve his aim.

5.21 pm

Mr David Ruffley (Bury St Edmunds) (Con): I yield to no one in my admiration for my hon. Friend the Member for Wellingborough (Mr Bone), who has a proven track record of raising thought-provoking questions. His speech has raised a thought-provoking question in my mind—why he has not given much more weight to the pastoral care that the Government Whips Office, and indeed the Opposition Whips Office, gives to individual Members.

I make this point not because I am a Whips' nark—although it is for other hon. Members to judge whether that is the case—or because I am a member of that formidable trade union, the ex-Whips Office, but rather because in the past six months I have had experience of the personal advice, support and care of Her Majesty's Government's Whips Office. That has been given to my staff and to me; it was necessary after my temporary leave of absence after the general election.

I suggest to hon. Members that they view the Whips Office, or the Opposition Whips Office, as being bit like the NHS. We hope that we never need it, but it is very good to know that it is there if we do. That has been my experience. All of us in this place come into politics because we want to serve, and that calling brings with it its own unique demands. I am not for one second suggesting that we are a special case in that sense, but I would suggest that most other jobs have very highly developed human resources or personnel departments that individuals can go to. In this House, we do not have a similar support network—except, that is, for the Whips Office. The House relies on the Whips Office for the delivery of pastoral care. In my case, that has resulted in my full return to health and a full recovery. I hasten to add that I do not want to overdo it—it was not just the Whips Office that delivered my speedy return, but the Whips Office contributed to it, and I must say that I am enjoying it hugely.

It is for those reasons that I oppose the Bill. I am aware, however, that there is important business to be got through this evening, and I will therefore not force the matter to a Division.

Question put (Standing Order No. 23) and agreed to.

Ordered,

That Mr Peter Bone, Mr Philip Hollobone, Mr Christopher Chope, Mr Douglas Carswell, Mr David Nuttall and Mr Graham Allen present the Bill.

Mr Bone: The list would have included my hon. Friend the Member for Shipley (Philip Davies), but he felt that it might damage his career prospects.

Mr Peter Bone accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 10 December and to be printed (Bill 80).

PARLIAMENTARY VOTING SYSTEM AND CONSTITUENCIES BILL (PROGRAMME) (NO. 3)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the Order of 12 October (Parliamentary Voting System and Constituencies Bill (Programme) (No. 2) be varied as follows:

(1) In the Table, for the entry relating to the third and fourth days of Committee there shall be substituted:

Day	*Proceedings*	*Time for conclusion of proceedings*
Third and fourth days	Clause 7, Schedule 6, Clauses 8 to 13, Schedule 7, Clauses 14 to 17	9.00 pm on the fourth day

(2) On the third day paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to the proceedings until 11.00 pm.—*(Miss Chloe Smith.)*

The House proceeded to a Division.

Madam Deputy Speaker (Dawn Primarolo): Order. There is a problem with regard to timing. There is some doubt as to whether eight minutes have elapsed, so the doors will be unlocked for one further minute.

The House having divided: Ayes 327, Noes 233.

Division No. 84] **[5.25 pm**

AYES

Adams, Nigel	Barwell, Gavin
Afriyie, Adam	Bebb, Guto
Aldous, Peter	Beith, rh Sir Alan
Alexander, rh Danny	Bellingham, Mr Henry
Andrew, Stuart	Benyon, Richard
Bacon, Mr Richard	Beresford, Sir Paul
Bagshawe, Ms Louise	Berry, Jake
Baker, Norman	Bingham, Andrew
Baker, Steve	Binley, Mr Brian
Baldwin, Harriett	Birtwistle, Gordon
Barker, Gregory	Blackman, Bob

Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James

Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Stephen Crabb and Norman Lamb

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Cash, Mr William
Caton, Martin
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murray, Ian
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whitehead, Dr Alan
Wicks, rh Malcolm
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Stephen Pound and Mr David Hamilton

Question accordingly agreed to.

Parliamentary Voting System and Constituencies Bill

[Relevant documents: Third Report from the Political and Constitutional Reform Committee, Parliamentary Voting System and Constituencies Bill, HC 437, and the oral evidence taken before the Committee on the Coalition Government's programme of political and constitutional reform on Thursday 15 July, HC 358-i.]

[3RD ALLOCATED DAY]

Further considered in Committee

[DAWN PRIMAROLO *in the Chair*]

Clause 7

THE ALTERNATIVE VOTE SYSTEM: AMENDMENTS

5.40 pm

Mr Christopher Chope (Christchurch) (Con): I beg to move amendment 62, page 5, leave out lines 9 to 11 and insert

'but no preference beyond the second may be indicated.'.

It gives me great pleasure to move amendment 62. It goes to the heart of what we mean by "the alternative vote system", because there is more than one AV system. I am very much in favour of first past the post, so it is with a heavy heart that I know that we are about to get into the detail of what we mean by an "alternative vote". Were my amendment to be carried, it might make it easier for those who want to secure a yes vote in the referendum—that is the irony of my amendment—because it will actually make the system much simpler to understand.

Effectively, my amendment would provide for the choice of replacing the first-past-the-post system with the first-or-second-past-the-post system. In other words, it would not be possible for somebody to be elected unless they had either the first or second largest number of first preference votes. Under the AV system proposed in my amendment, candidates who had come third, fourth, fifth and so on would be eliminated after the first round and the second preference votes of those who had backed them redistributed. After that redistribution, the candidate—either the first or second-placed candidate—with the most votes would be elected. So the qualifications for election would be that, first, a candidate would have to have been one of the first two people past the post and secondly, they would have to rely on the second preference votes of those who had backed candidates lower down the batting order in terms of success in the first round.

Mr Greg Knight (East Yorkshire) (Con): If the Committee were to accept my hon. Friend's amendment, would it not mean that the candidate with the broader base of support among the community he or she was seeking to serve might not be elected?

Mr Chope: That is a defect of all alternative vote systems. One reason I like the first-past-the-post system is that it is clear for people to understand. The most popular candidate wins, and we do not get into this business of having to go for the lowest common denominator.

My amendment would put into the Bill the only AV system already operating in our country—it operates in London and the rest of England for mayoral elections.

Pete Wishart (Perth and North Perthshire) (SNP): Is not the hon. Gentleman proposing almost a semi-alternative vote, given that it would be a restriction on the whole concept of AV? Surely, it is up to electors. If they decide to list only two members among their favourites, that is their decision. Why does he seek to restrict the choice of voters? It is very uncharacteristic of him.

5.45 pm

Mr Chope: That is what is done in London at the moment, and in mayoral elections in towns and cities the length and breadth of the country. That system is less satisfactory than the first-past-the-post system. However, it is a lot more satisfactory than the full alternative vote system, which is what is proposed in the Bill at present, because under that system the person who gets the third or fourth highest number of first preferences—or, in some scenarios, even the fifth highest—might end up being elected, because he has got the second, third, fourth, fifth and sixth preferences of other candidates. That leads to a very undesirable system, in which not even the person who came first or second past the post is elected, but instead somebody who came much further down the running order, all on the basis of the lowest common denominator, which is the wrong way to choose representatives to this House.

Graham Stringer (Blackley and Broughton) (Lab): The hon. Gentleman is being absolutely straightforward in saying that he does not really agree with his own amendment, but does he agree that it still does not get over the fundamental flaw in all AV systems, which is that they effectively give people two votes, and particularly people who support minority parties such as the British National party?

Mr Chope: Exactly. I agree with the hon. Gentleman and my amendment attempts to mitigate the terms of the Bill, under which some people might have three, four, five or six votes. For example, somebody might put the BNP first and the UK Independence party second, and then vote for some other nationalist party or whatever. All those candidates would never get anywhere near the top of the poll, thereby making it possible for that person to cast a large number of votes. Thus, some people will get a large number of votes, whereas others will not; indeed, they will get only the one vote. One way of explaining the virtues of the first-past-the-post system is to say that it is one person, one vote, which is something that everybody understands.

Mrs Eleanor Laing (Epping Forest) (Con): The hon. Member for Blackley and Broughton (Graham Stringer) made a good point about some people effectively having three, four or five votes. However, is it not the case that the meaning of the word "alternative" is "one of two", from its true Latin derivation, "alter"? My hon. Friend's amendment is therefore technically and linguistically absolutely correct. If the system is to be called the alternative vote system, the sense of "one of two" must come into it somewhere, not the sense of "one of four or five".

Mr Chope: I am grateful to my hon. Friend for that point. She and I have not colluded on this, but I took the precaution of looking up the definition of "alternative" and its usage in the "Shorter Oxford English Dictionary", which says:

"Some traditionalists maintain"

I think that she and I are both in that category—

"from an etymological standpoint, that you can only have a maximum of two alternatives (from the Latin *alter* 'other (of two)') and that uses where there are more than two alternatives are erroneous."

However, the dictionary then says:

"Such uses are, however, normal in modern standard English."

More is the pity, but that is the factual situation as described in the dictionary. However, the sense that I have described is how those of us who are traditionalists, as well as a lot of other people, understand the word "alternative". Indeed, although I am reluctant ever to criticise a word that he says, earlier on we heard the Prime Minister use the word "less" when he meant "fewer".

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): The hon. Gentleman is giving us a lecture on the difference between prescriptive and descriptive grammar. However, in a previous general election—in 1992, I think it was—the Inverness seat had four candidates on roughly 25% each. How were those voters allowed any power or given any alternatives to express their further preferences, rather than having the winning candidate get only roughly a quarter of the votes?

Mr Chope: It is exactly the same syndrome as somebody who wins the 100 metres in the Olympics by a fraction, despite perhaps coming second or third in the semi-finals. That is the way we operate, and it is something that everybody understands.

Mr MacNeil *rose*—

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): Order. Before the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) intervenes, may I remind the Committee that we are not discussing AV versus first past the post? We are debating a particular form in this amendment, and we are now drifting away from that a little. Perhaps we could come back to it.

Mr Chope: I will give way to the hon. Gentleman.

Mr MacNeil: I do not think that the hon. Gentleman is talking about an exact parallel. At an election, there is a division of votes, but there is no division of time in a race: everyone is striving to achieve the shortest time. That is different from a division of votes among candidates.

Mr Chope: Speaking from my personal experience, when I was first lucky enough to get elected to this House in 1983, I got 41.5% of the vote. When I was defeated in 1992, I got more than 45% of the vote. I did not complain about that because all my constituents could understand that the person whom they most wanted to be their MP was no longer me. That is what we understand with the first-past-the-post system. As soon as we complicate the matter with alternative systems, we get complexity. In the amendment, I am trying to reduce that complexity and mitigate the problem as much as possible.

I want to draw another analogy. If the alternative vote system proposed by the Government in the Bill were adopted, people would be encouraged to rank the number of candidates from one to however many, in order of preference. I think that a lot of our constituents have difficulty in being sure about the relative merits of one or two candidates, yet we would be expecting them to list perhaps nine candidates in order of preference. If we tried to rate fast-food outlets in order of preference, we would need not only to work out which one we liked the most, but to rank Starbucks, McDonald's, Subway, Café Nero, KFC, Burger King and Pret A Manger in order of preference. It is quite complicated for people to rate, say, one as their sixth preference and another as their seventh. Such a voting system would be demanding and result in people having to spend a lot more time in the polling booth poring over the information about the candidates. Indeed, they would need to get a lot more information before they could exercise an informed choice.

Mr MacNeil: I am not sure about the constituents of Christchurch, but the constituents of Na h-Eileanan an Iar certainly have no difficulty in getting beyond the No. 2, even when it comes to fast-food outlets, which we do not have many of in the Outer Hebrides.

Mr Chope: The hon. Gentleman makes a good point.

I refer the Committee to the evidence submitted to the Political and Constitutional Reform Committee by Professor Patrick Dunleavy in the 14th written submission on page 205 in the third report on the Parliamentary Voting System and Constituencies Bill. In his important paper, he asks what the alternative vote means. Were the Bill to pass, and were there to be a referendum in which the question on the alternative vote appeared on the ballot paper, many members of the public would ask precisely that question: what does the alternative vote mean?

The Second Deputy Chairman: Order. That might be in people's minds, or it might not, but the hon. Gentleman must come back to his amendment, which covers a particular version of the system. I would be grateful if he would stay focused on that point; it is quite a narrow one.

Mr Chope: It is indeed.

The effect of my amendment would be to adopt the system that Professor Dunleavy describes as London AV, rather than the three alternatives—classic AV, Australian AV and London AV—also set out in his document. The amendment has obviously been selected for debate because Mr Speaker recognised that there is more than one system of alternative votes. The system that I am describing can be described as the supplementary vote system, but there is also one known as the Australian system.

Mr Knight: Listening to my hon. Friend, I have reached the conclusion that the strongest argument in favour of his amendment is one that he has not yet advanced—namely, that of consistency. If there is one form of AV currently operating in the UK—the one that he describes as London AV—it would make sense that any system introduced be identical to that system. Have Ministers given him any reason why they propose a totally different form of AV from the one that is currently in force in London?

Mr Chope: My right hon. Friend makes a good point, and that subject was going to form my peroration. I tabled the amendment because I have failed to receive a straightforward answer from the Minister about why the Government want to go for the particular form of AV set out in the Bill, instead of the form that we have already experienced in London and in other elections across the country.

Mike Gapes (Ilford South) (Lab/Co-op): It is not true to say that there is only one form of AV operating in this country. There are different forms in different electoral systems. It is not true that there is only the system used for electing the London Mayor. In London, there is also a list system, and there is a different system, in which people choose between party lists, in Scotland and elsewhere.

Mr Chope: The hon. Gentleman has misunderstood the purpose of my amendment. We are talking about alternative vote systems. He is describing alternative voting systems, which could embrace proportional representation, but they are not covered by the clause or by my amendment. I shall not respond further to his intervention, because I am sure that I would be ruled out of order.

Sir Stuart Bell (Middlesbrough) (Lab): Would not the hon. Gentleman's proposal put the voters in London in a difficult situation? If all this were to go through, next year, there would be one system of alternative voting for them, but in the mayoral elections the following year, there would be a different one. Is it not the case that there would be two AV systems available to the people of London?

Mr Chope: That would be the case if the Bill remained unamended, if there were a referendum and if the yes vote in that referendum were successful. That is a lot of hypotheticals and I hope that we shall not reach that ghastly outcome, but it is better to be wise before the event rather than to complain afterwards. In anticipation of the difficulties ahead, including the inconsistency that would result from having more than one type of AV system operating in this country, I believe that there is a lot to be said for ensuring that any system put forward in a referendum is of the same type as the one that has already been experienced by many electors. I hope that the Minister will tell us why we are going for a different system from the one that is already operating in London. Up to now, I have heard no justification for that decision.

Austin Mitchell (Great Grimsby) (Lab): My heart leapt when I saw "AV variant" on the selection list, because I though that it might refer to AV-plus. That system was recommended by the Jenkins commission in the early years of the last Labour Government, and it is one that I support. However, the hon. Gentleman is now talking about a London variant. I have to say that I am always suspicious of anything described as a London variant. First, it sounds sexual and, secondly, coming from the north, I do not think that there should be any variants for London. If he is talking about choosing variants, will he allow for the inclusion of AV-plus in his amendment?

Mr Chope: I cannot change my amendment at this stage, and I am not sure that an amendment dealing with AV-plus would have been selected. If the hon. Gentleman wanted an AV-plus amendment, he could have—

The Second Deputy Chairman: Order. We are not discussing AV-plus. Can we get back to the amendment? We have a lot of business to get through over the next two days, so I would be grateful if all hon. Members—in their interventions as well as their speeches—focused their comments on the amendment.

6 pm

Mr Chope: I am most grateful to you, Ms Primarolo, for trying to ensure that we stick to the amendment. I am a bit flattered in that my amendment is being debated on its own. The best thing for me to do now is to sit down so that I can listen to what the Minister has to say in response to my question: why is the form of AV set out in the Bill preferable to the other form of AV already available in this country, which has been experienced in London and in other cities?

Chris Bryant (Rhondda) (Lab): I am sorry to disappoint the hon. Member for Christchurch (Mr Chope), but I shall not support his amendment. I disagree with it first and foremost because no provision was made in any party's manifesto for this version of the alternative vote. When the Labour party said it wanted a referendum on the alternative vote system, we certainly meant a full alternative vote system in which people could continue to express their preference, as long as there was a preference still to be expressed.

Originally, the Liberal Democrats' manifesto had nothing to do with the alternative vote, but if they had proposed a form of the alternative vote it would have been, as we saw in their negotiations with the Conservative and Labour parties after the general election and as was commonly understood, that under AV the voter was allowed to express a preference all through the system. The hon. Member for Christchurch might object that AV was not in his party's manifesto in any shape or form. That is why I have a slight suspicion that his amendment is intended more as a wrecking amendment, although to be generous I shall suggest it is a probing amendment. The hon. Gentleman and the hon. Member for Epping Forest (Mrs Laing)—in rather elegant turquoise, if I may say so—said that AV gives some people two or even three votes. That is not the case. People have one vote, but are allowed to keep on expressing it as a preference while the process continues.

Henry Smith (Crawley) (Con): Does not the hon. Gentleman think that there is some scope for confusion among the electorate? If there were six candidates on the ballot paper, people might feel that they must continue voting until they have exhausted those six options. A British National party candidate, for example, would probably be nobody's choice, but electors might feel confused and believe that it was necessary for them to vote for such a candidate as their sixth preference. The British National party candidate might then get their sixth vote.

Chris Bryant: No, not at all. If the hon. Gentleman read the clauses and schedules carefully, he would see that they make it absolutely clear what information

[Chris Bryant]

must be provided to the voter—whether voting by post or in person. The Bill provides not just for an advisory referendum but an enacting one, so it will happen if there is a yes vote. The provisions make it clear that voters can continue to express their preference for as long as they wish—or, indeed, they can stop expressing it if they wish to. They can simply say, "My first preference is exhibit A" and subsequently make no further preferences. In the Labour leadership contest, which used the alternative vote—the votes of all Labour MPs were published—quite a few Labour Members voted just for their first preference and chose not to exercise their second, third or fourth preference at all. Some chose to go right down the list—whether it was so that they could say that they had voted for all five candidates, who knows?

There is only one vote, but this brings us to a key question raised by the Minister yesterday: under the system intended to be used, will the winning candidate always have received 50% plus one of the votes?

Graham Stringer: On this technical point, does it not depend on how many second preferences are made or, under the full alternative vote system, on how many other additional preferences are made? It is not necessary to get past 50%.

Chris Bryant: I gave way rather too soon, as that was precisely the point I was about to make. If people decide not to cast a second or third preference, it is perfectly possible that the winner will not have achieved 50% plus one of the total number of votes originally cast. The winner will have acquired 50% plus one of the votes of those still expressing a preference at that stage, whereas under the hon. Member for Christchurch's proposal more often the individual elected would not have got even close to 50% plus one of the total number of votes cast. That is why I disagree with the system he proposes.

I fully understand the point made about the term "alternative". I am one of those irritating people who regularly objects when the word "less" is used when "fewer" is meant. I am annoyed when Marks and Spencer uses it—a pretty depressing state of affairs. I have noticed, however, that although I keep on saying this and correcting people, it wins me no friends—it just irritates people; it has not changed anybody's practice. It is absolutely true that in Latin—most of us do not speak it much of the day, although the Mayor of London might—alternative means one or the other out of two. Sometimes in places such as Wales there are just two candidates—Labour and Plaid Cymru—but for the most part the number of candidates is considerably higher. There have not been many unopposed elections for many years, either.

If we end up with an alternative vote system, whereby people can express their preferences on a full list, the number of candidates standing will probably increase. There will probably be candidates standing for parties that do not expect to win, but they may be able to persuade their voters by saying, "Well, it is all right to give me your first preference, but when you want to plump for the person you would most like to win, as opposed to the person most likely to win, you can do so". I understand that this is not the view of all Opposition Members or indeed of the majority of Government Members, but to my mind that would have a positive effect on British politics, enabling more people to engage in the political system.

Sir Stuart Bell: My hon. Friend is making his usual fluent speech with great confidence, but how can he say that this will provide a better system? I do not want to go too wide of the amendment, but how can it possibly be right that seven votes are required to end up with a majority of 50%? If there are seven candidates, people will vote seven times. How is that a fair result in a democracy?

Chris Bryant *rose—*

The Second Deputy Chairman: Order. I hope that in replying, the hon. Gentleman will not be tempted into a general discussion about AV.

Chris Bryant: I would like to ask you, Ms Primarolo, whether you view this as constituting a stand part debate as well.

The Second Deputy Chairman: I do not consider this to be a stand part debate because the amendment is very narrow. Members should be aware of that: if they push the margins too widely, it will lead to sacrificing debate later.

Chris Bryant: Fine. I just wanted to give notice that we would like a stand part debate when the debate on this amendment has concluded.

My hon. Friend the Member for Middlesbrough (Sir Stuart Bell) is wrong. In theory, it might seem possible to cast seven preferences if there were seven candidates; however, a preference would be expressed only six times, as at the end it is a choice between the sixth and seventh candidates. It is unlikely that that would happen very often in practice.

Mr James Clappison (Hertsmere) (Con): I have heard the hon. Gentleman's speech so far, although I have not heard all the debate so far. Is not one advantage of the amendment the fact that if the voting were constrained to those possibilities, it would remove the possibility that major party candidates would try to appeal to extreme parties that might be well down the voting list?

Chris Bryant: I am tempted to make a partisan comment about the hon. Gentleman's own political party appealing to extremist views, but I have decided not to.

I do not think that that opinion can be genuinely held. Undoubtedly all politicians presenting themselves for election try to secure the largest number of votes. What I think that AV will do—and here I agree with the Deputy Prime Minister—is put an end to safe seats. I say that as one who represents a seat that many people would probably consider to be historically safe.

Iain Stewart (Milton Keynes South) (Con): Has the hon. Gentleman considered the position in Australia, which operates a form of the alternative vote? I understand that a large number of seats are won on the first count, and are safe seats.

Chris Bryant: A significant difference is that in Australia voting is compulsory. Exactly the same argument could be used about Chile, but it also has more political parties taking part in elections, and consequently ends up with a rather broader way of doing politics.

Sir Stuart Bell: This intervention relates directly to the amendment, Ms Primarolo. I am grateful to Lord Campbell-Savours for pointing out to me that the alternative vote as described in "the Chope amendment" is Labour policy as recommended by the report of the Plant commission. It was described as the supplementary vote, and was devised by Lord Campbell-Savours and Professor Dunleavy. In fact, Labour policy entirely conformed with the amendment.

Chris Bryant: Lord Plant is a very eminent and splendid man who has contributed much to the Labour party and to the movement, but I do not think that the policy that we advocated before the 1997 general election necessarily binds us in this evening's vote. *[Interruption.]* I note that the Minister of State, Department of Health, the hon. Member for Chelmsford (Mr Burns) is worried about people standing by commitments that they made in 1996. His party cannot even stand by commitments that it made earlier this year, so I am not sure that he is one to talk.

My simple point is that I think it likely that if Britain ends up with an alternative vote system, not as recommended in the amendment but as recommended in the Bill, we will end up with fewer safe seats in the sense in which many people understand it. It may well be that the historical reality of safe seats is changing anyway because many more voters now adopt a pick-and-mix approach.

Sir Stuart Bell *rose—*

Chris Bryant: I do not know whether my hon. Friend has received another note from Lord Campbell-Savours, but of course I will give way to him.

Sir Stuart Bell: Will my hon. Friend make it clear to the Committee that when he talks of being in favour of a change in the voting system and of getting rid of safe seats, he is expressing a personal opinion, and not the opinion of the Labour party?

Chris Bryant: I said at the outset that I knew that my personal support for the alternative vote was not necessarily shared by all those sitting behind me. I am glad that my hon. Friend—my knighted hon. Friend—has given himself an opportunity to put on record his scepticism about the policy being advocated. I am only sorry that he does not agree with me, but I know that he agrees with me about many other matters.

Mr David Winnick (Walsall North) (Lab): Will my hon. Friend bear in mind that it would be wrong to conclude—and I am sure that he is not so doing—that the vast majority of members of the parliamentary Labour party want any change in the electoral system? Many of us believe that, with all its flaws and blemishes, the existing system is the best.

Chris Bryant *rose—*

The Second Deputy Chairman: Order. I am sure the hon. Gentleman knows that the views of the parliamentary Labour party, vast or otherwise, are not specifically relevant to the amendment. Perhaps I can help the hon. Member for Rhondda (Chris Bryant) by informing him that he can move on.

Chris Bryant: I am very grateful, Ms Primarolo. I should have thought that the views of the parliamentary Labour party were slightly relevant to the debate—certainly when it comes to the vote—but obviously I do not seek to challenge your ruling. I merely say to my hon. Friend the Member for Walsall North (Mr Winnick) that I do not think that anyone has fully tested the precise views held, and there are many respects in which I think he is wrong. For instance, I think that the vast majority of us in the parliamentary Labour party want to change the electoral system, so that registration can be improved throughout the land and the 3 million people who are currently not on the register can be included.

I merely wished to make a few simple points. If it is certain that we are to have a clause stand part debate, I will reserve some of the other points that I wish to make until then.

6.15 pm

Mr Robert Syms (Poole) (Con): I believe that the amendment draws attention to something that is at the heart of the debate about AV: the weighting of particular votes. Under our current system, people vote positively. They go out and vote for a particular party. They have one vote, and if they vote more than once they are disqualified. They must make a choice. Under AV—under the system that may be proposed by the Government tonight—it is possible to vote one, two, three, four, five, six, seven times. What the system does not take into account is the strength of people's preferences. A first preference may be outweighed by a second, third, fourth, fifth, sixth or seventh preference. That moves us away from positive politics, and I do not think that the system will be made any better by a second, third, fourth, fifth and sixth choice.

We are committed to a form of AV. As was pointed out by my hon. Friend the Member for Christchurch (Mr Chope), in the London elections we have supplementary votes. People vote once or twice. In practice, most Members who are elected have well over 40% of the vote, and it would probably take only one count of the bottom candidate, or perhaps the two bottom candidates, before someone would have more than 50%. If we want a system under which people have majority support, I am not sure that we need "one, two, three, four, five, six". I think that one or two might produce a better, more efficient, more effective system.

We must consider the weighting problem. Under AV, a candidate with 20,000 votes could lose. If two others gained 10,500 votes each, a candidate with twice as much support as the second candidate could come second overall. The weighting element is a weakness of AV, although it is not a weakness of proportional representation, because PR—particularly in its purest sense—involves equality of votes. Under our current system there is some wastage of votes, but people vote positively. Under the additional member system, in both Wales and Scotland, the list provides a balance against first past the post. The more choice people are given, the more likely it is that a second or third choice will outweigh a first choice. I do not think that that is fair or right. People will be allowed to vote many times because they make the wrong choices three or four times.

Mr MacNeil: The hon. Gentleman said that in Wales and Scotland there was a list to balance the inequities of first past the post. Is he one of those who feel that inequities are manifest in first past the post?

Mr Syms: I have always supported first past the post, but if I were to argue for any alternative I would go for the German system, which could effectively be used in Scotland or Wales. I think that it is a better, more logical system, which retains the link between Member and constituency. However, that is not what is proposed in amendment 62.

I think that the amendment is sensible because it goes to the root of AV, which is the weighting of votes. Endless weighting of votes makes a system that is meant to be fairer much more unfair, because those who have a first choice are cancelled out. It might be fairer if someone's second preference were counted as half a vote, or someone's third preference as a third of a vote, or someone's fourth preference as a fifth of a vote; but treating the preferences equally produces lowest-common-denominator politics. It means that the least offensive people can win, and that those with the most positive and passionate politics can lose.

Chris Bryant: I believe that the hon. Gentleman is opposed to the use of AV, full stop, and will argue for a "no" vote in the referendum. I should have thought, therefore, that it would make more sense for him to ensure, according to a sort of Maoist principle, that the question on the ballot paper is the one that he can most easily attack.

Mr Syms: I am not sure that the average voter will be much impressed by having a choice between one to seven or just a supplementary vote. I think they will be utterly confused in the coming referendum, and who wins and who loses may well be in the lap of the gods.

The weighting of votes is the weakest element of AV. I am committed to the coalition agreement and I will vote for the Bill and support the Minister, but I will also participate in the debate and I think that, regardless of whether the amendment of my hon. Friend the Member for Christchurch is a probing amendment, it is a useful contribution to the discussion of the relative merits of the AV system, which does not have many merits.

Gavin Barwell (Croydon Central) (Con): I will be very brief and I will try to stick directly to the issue in hand. I agree with my hon. Friend the Member for Christchurch (Mr Chope) that no electoral system is perfect, and I believe that first past the post is the best system for electing Members of this House. However, I do not agree with the Maoist principles to which the hon. Member for Rhondda (Chris Bryant) just referred. If we are going to put a choice to the people, those of us who believe in first past the post should want to propose against it the best possible version of AV so that if the referendum result is the opposite of what we want, we still get an acceptable electoral system.

To answer a question posed by my hon. Friend the Member for Christchurch in his opening remarks, I believe the reason the Government have got this right and their proposal is better than the supplementary vote system is that if we are going to give people the option of a preferential voting system it should be the option that gives electors the maximum flexibility possible. I am opposed to preferential systems that make people express a preference. I think that many of my constituents will choose just to cast a first preference vote for the candidate whom they most want to be elected, and I am opposed to the supplementary vote system—which the previous Labour Government forced on us in London—because it allows those electors who wish to express preferences to express no more than a second preference.

My position is very clear, therefore. I am in favour of first past the post, but if we are to give people a preferential system it should be a system that allows electors to express their preferences.

Mr Mark Williams (Ceredigion) (LD): Is the hon. Gentleman's point not borne out by the fact that in multi-member wards where people are obliged or asked to cast many votes, they frequently just cast one, two or three? This is a matter of choice, therefore.

Gavin Barwell: In my experience of council elections, most people cast votes in accordance with the number of vacancies that there are, but some people do decide that they want to vote for only one or two candidates, perhaps because there are not three candidates on the ballot for whom they wish to vote, and that is their democratic right.

I believe the Government have chosen the right system. If it were ever used, it would give maximum choice to my constituents. Therefore, with respect, I say to my hon. Friend the Member for Christchurch that his amendment is misplaced.

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): It is a great pleasure to follow my hon. Friend the Member for Croydon Central (Gavin Barwell), whose remarks have been very supportive.

The amendment tabled by my hon. Friend the Member for Christchurch (Mr Chope) is very interesting, but I fear that it does not do what he seems to think it does. As he is an experienced Member, I say with some trepidation that his amendment is defective. He seemed to be explaining that, in effect, it delivers a supplementary vote system under which only the top two candidates are capable of winning the election and all the other candidates are eliminated, and therefore voters only express two preferences. That is not what his amendment does, however. It limits the number of preferences to be expressed to two, but that does not have the effect he was hoping for. Under his amendment, it would still be possible for a candidate who had come third and been eliminated to win the election if they were the recipient of many second preferences. I therefore fear that his amendment is technically defective, because it does not do what he clearly outlined he wished it to do. Given that, I ask my hon. Friend to withdraw it.

In choosing the form of AV that is proposed in the Bill, we were very clear that we wanted the optional preferential system as we did not want voters to be forced to vote for candidates they could not stomach. We thought it was not right to force voters to have to express a preference for a British National party candidate, for instance, when they think that the views that that candidate espouses are repugnant. However, we also thought that voters should be free to vote for just one candidate if they so wished. There should be maximum choice for the elector. That is why we chose the system that is in the Bill as the one to put to the electors, and I recommend it to the Committee.

Mr Chope: It appears that my hon. Friend will not address the following question: if my amendment does not achieve the purpose of introducing, for the sake of consistency, the London AV system, would he be in favour of an amendment that did achieve that being brought forward on Report? If not, can he answer this question: why does he believe we should have more than one AV system operating in this country—the London AV system plus the AV system he is introducing through the Bill?

Mr Harper: I will try not to stray too far outside the terms of this debate, and I will not get into a debate from the Dispatch Box on the merits of different electoral systems. The Government are proposing this referendum with the choice between first past the post and AV, and the Government are neutral on those two electoral systems. That is a matter for the yes and no campaigns, and for the Members campaigning in them. The Government will not express a preference from the Dispatch Box. I will, however, take my hon. Friend through both his argument and the reasons why we support putting to the voters the system proposed in the Bill.

If I have rightly understood my hon. Friend's argument—I am sure he will correct me if I am wrong—he was putting forward the supplementary vote system used in London. That has two features. First, voters have only two choices: they can express only two preferences, which is also what his amendment proposes. Secondly, if no candidate gets over 50% of first preference votes—I think I am right in saying that no candidate has done so since the system was put in place—only the top two candidates stay in the race. All other candidates are eliminated, and the second preferences of those who voted for those eliminated candidates are redistributed, and we then discover which of the top two wins. That is the piece that my hon. Friend's amendment does not insert into the Bill, however. My hon. Friend's amendment could lead to a situation that I think he said he would find undesirable, in that it would still be perfectly possible for a candidate who had not finished in the top two to be the winner if they received a significant number of second preference votes from those who were first eliminated.

Mr Chope *rose—*

The Second Deputy Chairman: Order. The Minister is addressing very clearly a number of complex points, and I realise that he is looking behind him because he wants to be as helpful as possible, but we need him to face forward so that Members in all parts of the Chamber can hear his comments.

Mr Harper: I am grateful, Ms Primarolo. I think my hon. Friend the Member for Christchurch wanted to intervene.

Mr Chope: Can my hon. Friend answer clearly whether he believes the London system—which I have described as the London AV because that is how it was described by Professor Dunleavy—should be applied nationally and therefore should be put in the referendum, or does he believe the referendum choice should give people the chance to have both a supplementary AV system and his version of AV? If so, we could end up with two different forms of AV in this country's electoral system.

Mr Harper: We have put a version of AV in clause 7, so that is clearly the system the Government believe the voters should have a choice on. They should choose between that system or the existing system of first past the post. We considered the London supplementary vote system, but we did not choose it because we wanted to give voters the maximum amount of choice. As my hon. Friend the Member for Croydon Central set out, we wanted to give voters the opportunity to select from the range of candidates instead of just giving them two choices.

Mr Chope: If the Minister is saying that the coalition Government are against the AV system used to elect the London Mayor, is he also saying that the coalition Government are minded to change that system to the AV system proposed in the Bill, if that system is supported in a referendum?

6.30 pm

Mr Harper: That is not what I said, and my hon. Friend will know that we are discussing the system for electing Members to the House of Commons. The choice of systems that the coalition Government want to put before the electors in a referendum is the choice of either sticking with first past the post or using the alternative vote system that we have put forward. The reason we thought it important to put in the Bill the version of the alternative vote system that will come into effect if there is a yes vote in the referendum—the debate has brought this out—is that voters are clear about what they are voting for. It is also so that the two campaigns—the yes campaign and the no campaign—can look at the Bill and clearly explain to voters the system that they are voting for or against, and the consequences of that system. Voters can then make an informed choice.

Austin Mitchell: Perhaps the Minister can help me with a further point. It is good to see the Government being so nice and sensitive, in that they will not force people to vote for the whole slate; they will allow people to choose how many candidates they vote for—that is the essence of what he is saying, I think. But will that not produce unpredictable results, in that if someone votes for the whole slate—for a first, second, third, fourth and fifth preference, or whatever—their vote counts more heavily than that of someone who votes for just one or perhaps two candidates under the London system? Does that not open up the possibility of the donkey vote, which we all know applies in Australia, whereby less-informed voters simply list the candidates in first, second, third, fourth, fifth and sixth place according to where they are on the form? There is therefore a great premium on having a name beginning with A. For that reason, when the system comes in, I will change my name to A1 Austin. The donkey vote will count more than legitimately calculated and thought-out votes.

Mr Harper: It is difficult to start to get behind what is on ballot papers, and to analyse the amount of thought that voters put in to what they write on them. I am sure that all of us, when we have looked at the results of elections in our constituencies and council elections, have sometimes wondered what thought processes voters used in casting their votes. We have not always agreed with the result, but democracy is a wonderful thing; we give everyone who is over the age of 18 and who is

[Mr Harper]

eligible to vote the chance to do so. In a democracy, we have to take the results that we get and make the best of them, regardless of the amount of thought put into them. I will not try to psychoanalyse how voters will express their preferences and how much thought they put into them.

Mrs Laing: I appreciate that the Minister is trying to be very fair in how he and the Government draw up the system that might, if the referendum succeeds, come into force, but has he seen the carefully compiled scientific evidence that shows that alphabetical preferences do matter? The hon. Member for Great Grimsby (Austin Mitchell) is possibly joking—or perhaps not—about changing his name to A1 Austin. If that was his name on the ballot paper, and if I became Mrs Aardvark—nobody named Aardvark has so far asked me to marry them, but you never know—[HON. MEMBERS: "Aah!"] Thank you. There is a distinct possibility that the alphabetical weighting would have an unfair, undemocratic effect on the result of the ballot.

Mr Harper: I am grateful to my hon. Friend for that point. I have seen the odd piece of analysis that says that even under the existing first-past-the-post system, it makes a small difference which end of the ballot paper one's name is on. It really comes down to the point that I made to the hon. Member for Great Grimsby: I am not going to analyse how people reach their decisions. Some people reach them after careful, considered thought, and some people do not. We just have to live with the results of their decisions in a democracy.

Austin Mitchell: I shall not change my name back to Haddock, at any rate. My point was simply that if somebody uses all their preferences, their vote has a greater weight because it is redistributed more than that of someone who votes for only one or two candidates. Is that correct?

Mr Harper: Well, no. That is a common misconception. A person's vote is counted only once at any one time, but clearly, if someone lists a number of preferences, it is more likely that the vote will still be in the count later in the process. It is up to the voter how many preferences they express, and the voter can take that into account when they cast their vote.

Mr Lee Scott (Ilford North) (Con): Does my hon. Friend agree that if somebody chooses to vote for only one candidate, that is a matter for them? It is not for us to decide whether they should list five, six, seven or eight preferences. Whoever is voting, there will be anomalies; I do not know whether he agrees. Perhaps Aaron Aardvark will be first on the ballot paper—I will introduce him to my hon. Friend the Member for Epping Forest (Mrs Laing)—but none the less, I honestly think that the matter should be left to the people.

Mr Harper: My hon. Friend makes a very good point, and that is exactly why we chose the optional preferential system—so that voters could vote once if they wanted to, or for as many candidates as were available. We thought that that choice was better left to the voter.

Chris Bryant *rose—*

Mr Harper: I will give way once more, to the Labour Front Bencher, and then I will make progress.

Chris Bryant: The Minister is absolutely right. In the present system, in multi-member wards in local government elections, if there are three seats to be filled, voters can put three crosses, if they want. Quite often, they do not use all three. That may be because they do not know that they are able to use all three, or it may be that they choose not to use all three—who knows? It is not for us to guess, but allowing voters a degree of freedom is a good idea.

Mr Harper: I am grateful to the hon. Gentleman.

I am conscious, Mr Gale, that the Chair will permit a stand part debate, so I will conclude my remarks on the amendment tabled by my hon. Friend the Member for Christchurch. As I say, I fear to point out to him that it is technically defective—it does not do what he intends it to do—so I request that he withdraw it and allow us to debate the clause as it is; we can then see whether the House is content to let the clause stand part of the Bill.

Mr Chope: This has been a useful debate, and I am grateful to my hon. Friend the Minister for what he said. I thank everybody who has participated; we have had some interesting insights. I am particularly grateful to my hon. Friend the Member for Poole (Mr Syms) because he brought up important points about the need to give equal weight to votes and the way in which that principle is undermined by the principle of the alternative vote system.

It is semantics to say that people have only one vote, but some people's votes may be counted more than once; that is the equivalent of saying that some people have several votes and some have only one, but if that is how the proponents of AV wish to try to campaign in the AV referendum, so be it.

I am grateful to the hon. Member for Middlesbrough (Sir Stuart Bell) for his intervention, and I notice that he has an amendment on the amendment paper that effectively seeks to introduce the French system. I must say that when he told the Committee and me that the noble Lord Plant of Highfield and the noble Lord Campbell-Savours supported my amendment, I immediately got rather cold feet about its wisdom.

The purpose of the amendment was to try to draw out a discussion and get from the Minister a justification—whether it is satisfactory is another matter—of why the AV system put forward in the referendum is different from the AV system in London for the election of the London Mayor.

Mr MacNeil: I often hear Conservative party members, in particular, talking about first past the post or even advocating the form of AV that he might be advocating at the moment. Would he ever advocate that for the leadership of the Conservative party, which, as I remember, seemed almost to be AV for slow learners over the two or three weeks that it took?

Mr Chope: Actually, it was a very sensible system, not dissimilar to the one operated in France. Basically, there is one election and the person who gets the fewest votes drops out and there is a completely fresh start with a fresh ballot. For example, when Mr Michael Portillo sought to become the leader of the Conservative party, he had the largest number of votes—

The Temporary Chair (Mr Roger Gale): Order. With great respect, we have moved an extremely long way from the purpose of the original amendment.

Mr Chope: I am sorry, Mr Gale. I was trying to give a full answer to the hon. Member for Na h-Eileanan an Iar (Mr MacNeil).

My feeling is that the first-past-the-post system is best. I understand that the system in the Bill is similar to that used to decide the winner of the Eurovision song contest. If the Eurovision song contest voting system is the one contained in the Bill, I am sure it will find a lot of support with the people out there.

For my part, I think it would be better to withdraw the amendment and for us to think again about whether we want to bring forward an amendment on Report to introduce an alternative identical to the system used in London, for the sake of consistency. In any event, we should reflect on the pertinent points that have been made in this debate and seek to consider further whether we wish to adopt what used to be the old Labour party policy. That is the Achilles heel, I would be the first to admit, of my proposal, and I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

The Temporary Chair: Order. Ms Primarolo has said that there will be a stand part debate, but she and I are agreed—and I have followed the debate very carefully—that the clause is very narrow in its remit. It sets out how votes are to given, how votes are to be counted and what information is to be given at each stage and no more. I trust that the stand part debate will address those issues and no others.

Question proposed, That the clause stand part of the Bill.

Chris Bryant: The most important element of the clause is the fact that it turns an advisory referendum into an implementing referendum. In one sense, it is one of the most important clauses in the Bill. Indeed, if there is a yes vote, it will directly change the voting system and several elements of it. I have a series of questions that I hope the Minister will be able to answer.

First, subsection (1) of the clause, on page 5 and on the subject of how votes are to be cast, states:

"A voter votes by marking the ballot paper with…the number 1 opposite the name of the candidate who is the voter's first preference (or, as the case may be, the only candidate for whom the voter wishes to vote)…if the voter wishes, the number 2 opposite"

and so on. In relation to the discussion we have just had, I wonder whether if somebody marked the ballot paper with a cross against their first preference, which would clearly be an indication that that was the only way that they were choosing to vote, that would not be counted as a valid vote.

Mr Harper *rose—*

Chris Bryant: Perhaps the Minister will be able to respond when he replies to the debate, because I have a few other questions in this vein. It would be my feeling that that should be the case, although I am not sure whether in law it is necessary for us to put it on the face of the Bill. I could not see it anywhere else in the schedule that pertains to this measure and consequently I presume that at some point we might need to put it into the Bill through some form of amendment. Obviously, it is important that we get this right now, because once the Bill has gone through, it will be far more complicated after the referendum—if it is successful and there is a yes vote—for us to go back to it.

Secondly, on page 5 it also says that if one candidate has more votes than the others put together, that is the determining factor, rather than achieving 50% plus one of the total votes cast. Will the Minister clarify why we are using that process? I presume it is because at each subsequent stage one would not be able to guarantee that anybody was going to achieve more than the 50% plus one of the total number of votes cast, including those that were spoilt and all the rest of it. I would be grateful if the Minister could reply on that point.

6.45 pm

The section of the clause that I am more troubled by—I hope that the Minister might be able to alleviate my concerns—is subsection (4) on page 6, which states:

"The Minister may by order make any amendments to primary or secondary legislation (whenever passed or made) that are consequential on amendments made by this section or Schedule 6."

The clause, which will be that section, and the schedule comprise a large number of substantial issues. I believe that if they were ever to be amended, they should be amended by primary legislation and not by secondary legislation. It seems on the face of it that the Bill gives an enormous power to the Minister to effect a change. For instance, I presume that this means that, if the Minister wanted to, he would be able to bring forward an order to change the provision on how votes are counted or, indeed, on how votes are to be given. For instance, one might only be able to have the system that the debate on the amendment tabled by the hon. Member for Christchurch (Mr Chope) prompted. It seems to me that that would be an inappropriate amount of power to be giving to the Minister to exercise through secondary legislation.

I note of course that subsections (5), (6), (7) and (8) make other provisions in relation to this matter, such as:

"An order…may not be made unless a draft of the order has been laid before, and approved by a resolution of, each House of Parliament"—

I understand that—and:

"Before making an order…the Minister must consult the Electoral Commission."

However, those are not very firm locks. I know that the Minister and the Deputy Leader of the House, in the previous Parliament, much deprecated in the previous Parliament the fact that secondary legislation is unamendable and that the debate goes on only for a fixed amount of time. If we are talking about changing the electoral system, that should not be something that is brought about by secondary legislation.

The Minister might be able to assuage my concerns, but our commitment was that we would come forward with an advisory referendum. The clause makes it into an implementing referendum, and we are still very unhappy about elements of this. I shall not rehearse the arguments about the date of the referendum—as the Minister knows, we disagree with that. We disagree with

the combination of the polls and we also disagree with the process that is being adopted, whereby amendments are being brought forward. I have great hesitations about this clause standing part of the Bill. It changes the nature of what was promised, so I would be grateful to hear what the Minister has to say.

Iain Stewart: I wish to make a very brief contribution on a specific technical matter regarding the counting of the votes under the alternative vote system. That procedure is outlined in subsection (2), under which the candidate with the fewest votes at any stage is eliminated and his or her next preferences are redistributed. I am not clear from my reading of the Bill what the situation would be if two or more candidates were tied in last place with an equal number of votes. Would both candidates be eliminated and their votes redistributed or would some form of lot be held to determine which dropped out and had their votes eliminated first?

Chris Bryant: I am sure the Minister will say this in a moment, but provision is made for that in schedule 6, which states that a lot will be drawn.

Iain Stewart: I am grateful to the hon. Gentleman, who clearly has a greater detailed knowledge of the Bill than me. My question is therefore answered and I shall resume my seat.

Mr Harper: Let me deal with the questions that I have been asked. The hon. Member for Rhondda (Chris Bryant) was quite right to refer to paragraph 7 of schedule 6, which explains about the elimination of candidates. If they are equal number at the bottom and all the preferences are the same, they will be eliminated by lot. If the hon. Gentleman had read a little earlier in that schedule, he would have been able to answer his first question, which was about voters who have made a mark. As page 146 makes clear:

"A ballot paper on which the voter makes any mark which…is clearly intended to indicate a particular preference for a particular candidate, but…is not a number…shall be treated in the same way as if the appropriate number…had been marked instead."

As long as the voter makes a clear choice, even if it is a smiley face, that will count.

Austin Mitchell: What if an elector makes two Xs; will that ballot be discarded?

Mr Harper: As in many of these issues, it is about whether there is a clear mark. If the elector marks the paper in such a way that it is not possible for the returning officer to work out what they intended, it clearly cannot count, so it comes down to whether they have expressed a clear preference. In the case that the hon. Member for Rhondda set out, it would be clear what they had done, so there would be no problem.

Mr Nigel Dodds (Belfast North) (DUP): The Minister talks about the voter expressing a clear preference. The practice in Northern Ireland under the single transferable vote has been that exactly—if a clear preference is shown by an X or a 1. However, new rule 37A(1)(a), in clause 7, says:

"A voter votes by marking the ballot paper with…the number 1 opposite the name of the candidate",

so where does that flexibility come in if it is in legislation that the number 1 should be used?

Mr Harper: I hesitate to jump forward, Mr Gale, because we are going to debate schedule 6, which is linked to this clause. Schedule 6 clearly sets out what to do if the voter does not use numerical marking. It works in the same way as current legislation, which asks the voter to make a cross but provides that if they make some other mark on the ballot paper that shows a clear preference, the returning officer can count it. The example that we had yesterday, which I have seen, was that if someone puts a smiley face, but only one smiley face, which shows a clear intention, it can be counted.

Chris Bryant: The difficulty is with the way in which the Bill has been constructed to have some elements of the provisions in the schedule and some in the clause. What will happen if someone puts a cross against a name and puts a 1 against another name?

Mr Harper: We cannot put in a piece of legislation every single possible scenario; that is not done in existing legislation. We have set out what we want voters to do and we have made provision for some common issues. Ultimately, as with today's elections, the returning officer has discretion to judge whether the voter's intentions are clearly expressed. If they are, the returning officer can take them into account, but if they are not, he cannot. That is how existing legislation works.

Thomas Docherty (Dunfermline and West Fife) (Lab): It is quite clear which people have not had the benefit of National Union of Students' training, as they are struggling with how AV, or even STV, would work. What estimation has the Minister given to the cost of documentation to help voters to understand, and from which budget would that material come?

Mr Harper: I am not entirely certain whether the hon. Gentleman wants to know about the information that is required to ensure that we have a good referendum campaign, so that when voters cast their vote they know what they are voting for, or whether he is asking about if there were a yes vote—

Thomas Docherty *indicated assent.*

Mr Harper: So he wants to know what will happen if there were a yes vote and the system were brought in. Clearly, if that became the electoral system in this country, the Electoral Commission would, in the same way that it educates people about the existing system, explain how the system worked. There is provision in the legislation about which forms would be used.

This is a good opportunity to explain to the hon. Member for Rhondda something that I was going to clarify later. He is concerned about the order-making power in clause 7(4), but it is not, as he fears, a power that allows the Bill to be amended. Indeed, I would be uncomfortable with that; I am sure he knows my views about the powers of Parliament versus the Executive. If there were a yes vote in the referendum and the new voting system in clause 7 and schedule 6 were brought into effect, a number of consequential changes to other legislation would be required—for example, a number of the forms used in parliamentary elections would need to be amended—and this order-making power would allow the Minister to make those consequential changes. It would not allow the Minister to change the electoral system other than through what is in this clause and schedule 6 if brought in by the electorate.

Thomas Docherty: Before the Minister moves on, let me ask my last question again, as he began to answer it and then moved on. As we saw in Scotland with the elections and the STV system, there was a great deal of voter confusion and it was accepted after the event that not enough money had been spent beforehand on making sure that voters understood the system. Will he assure us that either his Department or another Government Department will provide sufficient funding so that every voter in the United Kingdom is given materials to explain how to fill in their ballot paper under the AV system?

Mr Harper: The hon. Gentleman is rather jumping ahead; we have not even passed the legislation for the referendum, let alone there having been a yes vote from the voters. He will know that the right body to carry out the education process he describes would be the Electoral Commission, which does not receive its money from the Government. It makes a request about the resources that it needs to the Speaker's Committee which puts a motion before the House, which then decides what resources to give to the Commission, so it is a matter not for the Government but for the House to decide.

Mr MacNeil: It was not the STV system that created the difficulty in Scotland, but the way in which the lists were drafted for the first-past-the-post and additional member systems. The new STV system did not create as much confusion as is imagined; it was the lists for parliamentary voting that did so.

Mr Harper: I am grateful to the hon. Gentleman for that clarification, but he will forgive me if I do not want to get into what happened in Scotland a few years ago.

The final question that the hon. Member for Rhondda asked was why the Bill does not refer to a candidate getting 50% plus one of the votes. The drafting is designed to work not just in the first round but, as he suggested, in subsequent rounds. As came out in the debate on the amendment from my hon. Friend the Member for Christchurch (Mr Chope), although someone who wins under the alternative vote system has to have 50% of the votes that are still in the count, they do not necessarily have to have 50% plus one of the votes cast in the election, because if all voters do not express a preference, someone can get elected on a smaller share of the original vote.

It is important that I run briefly through the details of the clause, because, as the hon. Member for Rhondda has pointed out, if there is a yes vote next year, a Minister will have to lay an order before the House and the system we are debating will be the electoral system that is used in this country to elect Members to the House of Commons. It is therefore worth the Committee spending a little time considering what the rules would be.

Chris Bryant: Let me ask a brief question. If there were a by-election for a parliamentary seat next year, after a yes vote, which system would pertain?

Mr Harper: The first thing for me to do is draw the hon. Gentleman's attention to the part of the Bill that talks about the order-making power. If there were a by-election, it would not be practical for different Members of the House to be elected by different electoral systems. The new system would come in at the general election so that every Member of the House was elected by the same electoral system. It would be invidious to do otherwise.

The clause sets out the key amendments to the parliamentary election rules, which are the conduct rules for parliamentary elections. It inserts two new rules—37A and 45A—which concern how votes are cast by voters, how votes are counted and how the winning candidate is elected. Further amendments are set out in schedule 6, which will be considered later. Of the range of voting systems, each has its advantages and disadvantages. As I have said, the Government are going to put before voters either the first-past-the-post system or this version of the alternative vote. In developing the provisions in the Bill, we have taken into account legislation and practices used elsewhere in the UK where preferences are used, as well as the experience of voting systems in other countries, such as Australia, where AV—albeit not the same version as we have proposed—is used in elections to the House of Representatives and in a number of state legislative assemblies. We have developed provisions that we think are best suited to the House of Commons, drawing on UK and international experience.

7pm

As we have already set out, voters will, by virtue of our new rule 37A, rank candidates on the ballot paper in order of preference by marking 1 against their first preference, 2 against their second preference and so on. It is important for Members who were not present for the debate on amendment 62 to recognise that it is the optional preferential system, so voters do not have to vote for all candidates; they can vote for as many or as few as they wish. That differs from the version used in Australia for elections to the House of Representatives, where voters are required to rank all candidates in order of preference. The Australian experience is bandied about quite a lot, but it is important for Members to recognise that although there are some similarities, this is a different system from that used in Australia.

New rule 45A sets out how the votes are to be counted. Candidates must secure more than 50% of the votes in the count to be elected, so if, following the counting of voters' first preferences, a candidate has secured more than 50% of the votes in the count at that stage, he or she is declared the winner and is elected—and I am sure greatly relieved. If there is no winning candidate at that stage, a further stage of counting would be required. Paragraph (3) of new rule 45A provides that the candidate with the fewest votes is eliminated from the counting process and each vote originally allocated to them will be reallocated to a candidate remaining in the count according to the next preference expressed on the ballot paper. If, after that stage, a candidate has more votes than the remaining candidates put together—so more than 50% left in the count—he or she is elected. If there is no winner at that stage, the counting process continues until someone has more than 50% of the votes remaining in the count and is declared the winner.

New rule 45B sets out what information the returning officer makes available about the progress of the count at the end of each counting stage, except at the final counting stage, at which the candidate is elected and the result is declared under rule 50. That makes sure that everyone knows what is going on. In answer to the hon. Member for Rhondda, I have already set out how the order-making power works.

I hope that Members are clear in their mind about which form of AV the Government are proposing that we ask voters about. It strikes me that there is a job of work to be done during the campaign, because although Members are probably relative anoraks when it comes to understanding electoral systems—after all, that is how we get here, and we all have electoral systems very close to our heart—there was a fair bit of confusion this afternoon about how amendment 62 would work, and how the AV system will work as set out in clause 7, so whatever side of the debate we shall be on in the electoral campaign, I think we all have our work cut out. I would therefore ask that clause 7 stand part of the Bill, so that we can move closer to the day when it gets Royal Assent and we can engage in that referendum campaign.

Chris Bryant: I think we have discovered another problem in the clause, have we not, in relation to what the Minister just said. He said that the Minister would not be bringing AV forward so that it affected any by-elections next year. However, clause 7 is the implementing element of the Bill and it hangs on clause 6, which says that the Minister must put all of this into operation by virtue of an order; and he is now saying that it is not stated anywhere in the Bill that that would happen at the next general election, rather than immediately. Let us say that there is a yes vote in May 2011 and there is a by-election at the end of May or in June or July, which is perfectly possible—or for that matter several by-elections—the Minister's decision as to whether or not to bring in the order would almost certainly end up being challenged in the courts, because it is nowhere explicit in the Bill. So I am afraid that I do not find his answers sufficient. For that matter, I know he is relying on the word consequential in rule 45B(4), which states that the amendments have to be consequential. However, I know from our own time in government that the word consequential can be something of a weasel word, and some people try to slip larger things in than perhaps they should. I agreed with him when he used to condemn such matters.

Mr Harper: To return to my previous point, the hon. Gentleman should read clause 6 more closely. It states:

"The Minister must make an order bringing into force section 7, Schedule 6 and Part 1 of Schedule 7 ('the alternative vote provisions') if—

(a) more votes are cast in the referendum in favour of the answer 'Yes' than in favour of the answer 'No', and

(b) the draft of an Order in Council laid before Parliament under subsection (5A) of section 3 of the Parliamentary Constituencies Act…has been submitted to Her Majesty".

In other words, this system will come into force, if there is a yes vote in the referendum, once the order has been brought in implementing the new electoral boundaries. If by-elections were to be held, they would be for constituencies with the old boundaries, not with the new ones, so I think I was accurate in the way I set out the position.

Chris Bryant: No, I do not think the Minister was, because he is relying on what happens in the rest of the Bill. Anyway, we are not convinced by the Minister's presentation of his case on the clause, so we will be pressing the clause to a vote.

Question put, That the clause stand part of the Bill.

The Committee proceeded to a Division.

The Temporary Chair (Mr Roger Gale): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The Committee having divided: Ayes 327, Noes 224.

Division No. 85] **[7.6 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hancock, Matthew
Hands, Greg

Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lloyd, Stephen
Llwyd, Mr Elfyn
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lucas, Caroline
Luff, Peter
Lumley, Karen
MacNeil, Mr Angus Brendan
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McDonnell, Dr Alasdair
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wishart, Pete
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
James Duddridge and Stephen Crabb

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Cash, Mr William
Caton, Martin
Chope, Mr Christopher
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise

Engel, Natascha
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, Mr Iain

Tellers for the Noes:
Mark Tami and David Wright

Question accordingly agreed to.

Clause 7 ordered to stand part of the Bill.

Schedule 6

The alternative vote system: further amendments

Mr Harper: I beg to move amendment 198, page 147, line 18, leave out '45A(4) or (5) above in' and insert '45A above—

(a) in'.

The Temporary Chair (Mr Roger Gale): With this it will be convenient to discuss the following:

Government amendments 199 to 202.

I understand that there may be a consensus to hold a slightly broader debate about these Government amendments and to obviate the need for a stand part debate, and I am content with that process.

Mr Harper: These Government amendments—following our debate yesterday—genuinely fall into the technical category. Their purpose is to set out the procedure in the parliamentary election rules for determining which candidate is to be elected when only two candidates stand at an election under the alternative vote system and they receive the same number of first-preference votes. The amendments would provide for the returning officer to decide by lot which of the two candidates was to be elected.

Under the current first-past-the-post system, a tie between candidates is resolved by the returning officer drawing lots. Under the alternative vote system, the situation might arise whereby during the count either two or more candidates at a particular counting stage had the same number of votes or at the final counting round the two remaining candidates had the same number of votes. The provisions in paragraph 7 insert new rules 49 and 49A into the parliamentary election rules to deal with those circumstances. If the tie were at the first counting stage, on first-preference votes, lots would still have to be used to decide the outcome. If the tie occurred at a later counting stage, under the alternative vote system the use of preferences would allow the returning officer to refer to previous stages and use those preferences to make the decision.

The drafting of new rules 49 and 49A does not specifically cover the unlikely situation in which there are only two candidates at the outset who receive the same number of votes, but we thought it sensible to ensure that that possibility was clearly addressed to avoid any doubt. The Government have therefore tabled the amendments to ensure that rule 49A deals with the possibility of that situation and provides for the winner to be elected by drawing lots. I hope that Members are content with that.

We touched on this issue during our debate about clause 7, but it is worth saying that clause 7 deals with the two key aspects of the election under the alternative vote system—how votes are cast by voters and how they are counted. Schedule 6 sets out further amendments to the parliamentary election rules and other aspects of electoral law that would be required to hold a UK parliamentary election under the alternative vote. The changes reflect the fact that the election would be held under a preferential voting system. They touch on the ballot paper and guidance for voters; how we conduct recounts; how we decide whether the ballot papers are rejected; how we deal with candidates with the same number of votes—I have just set out our amendment on that; how the result is declared; a candidate's deposit; and a number of other changes.

I am content for any member of the Committee to ask me questions on those measures, but I do not see anyone rising to their feet immediately. I urge Members to accept the Government's amendments and to agree to the schedule.

Chris Bryant: In light of your earlier comments, Mr Gale, I hope that it is okay for me to stray into a debate about whether the schedule be agreed to.

The schedule makes a number of other very important amendments to the law that pertains to the election, and they, along with the other measures that we discussed in clause 7, will come into force when the Minister tables the order that follows a yes vote in the referendum. Some of the provisions are pretty straightforward. For instance, the notice that is normally exhibited on the ballot paper under the existing system says, "Vote for one candidate only". Obviously, that would be thoroughly misleading if we were to adopt the alternative vote system, because it would point out precisely what the voters had not to do.

One relatively interesting point is that the guidance will make it clear:

"Do not use the same number more than once."'

I presume that if a voter did use the same number more than once, that would invalidate a vote. I presume that if somebody voted 1, 2, 2, 3, 4, 5, that would invalidate the vote at the point that one reached the second preference, because one would not be able to determine the second preference, even if there had been some other strange means of adding to it.

Thomas Docherty: This is obviously a very technical and complex debate, but does my hon. Friend agree that that is exactly why, in the next version of this Bill, the Government have to give way on the issue of the same date for the Welsh and Scottish elections in 2015? The potential for confusion is far too great.

Chris Bryant: As I have said previously, one difficulty that we as a Committee have in debating the Bill is that we do not know the precise amendments that the Government are going to table on the combination of polls in Scotland, Wales and Northern Ireland. We do not yet know what the law—as the Government expect it to be in relation to those three territorial departments—will be, because the statutory instruments have not been tabled. That makes it difficult for us to imagine exactly what a polling station is going to look like when somebody goes in. However, the measures in the schedule do not affect the conduct of the referendum next May, but rather the conduct of an election at a subsequent date once there has been a successful yes vote in a referendum and the measure has been introduced.

7.30 pm

Thomas Docherty: I apologise to my hon. Friend for not being clear enough. I was referring to the 2015 elections, where we will have the additional member system in Scotland, as well as first-past-the-post and the AV system, if the Government do not give way. Would it not have been better to have one single Bill for fixed terms and for these provisions instead of this mish-mash of two Bills?

Chris Bryant: That is a good point, although I have not yet given up on the idea that the Government's Fixed-term Parliaments Bill will end up with a five-year rather than a four-year parliamentary term, which would be more advisable and acceptable, I suspect, to this House and the other place. If there were to be a combination of simultaneous parliamentary elections in Scotland for this House and for the Scottish Parliament, and in Wales for this House and for the Assembly, operating under different electoral systems, both of which involved writing "1, 2, 3, 4, 5", there would be capacity for confusion, and polling stations could be a rather complex area for voters to enter. Unfortunately, we are not able to have that provision in this Bill because the Government have decided to bring forward not a great reform Act but little tiddly bits of reform as they can be spatchcocked into Bills to appease both sides of the coalition.

Under paragraph 5, the system for recounts will be changed to allow for a recount to happen at any stage in the voting process. That is obviously a sensible measure. If, say, five candidates were standing and the person in fifth place is there by only two or three votes, they will want to have a recount to make sure that they really are the person who should be eliminated at that stage. I remember that when I stood in 1997 in High Wycombe—not traditionally a safe Labour seat; in fact, the Conservatives had a majority of 18,000—there was a recount in the ballot, and on a night when many Conservative seats fell, my friends thought, "Blimey, it looks as if Bryant has won High Wycombe." In fact, I had not come anywhere near to winning; it was all about whether somebody else—the Green candidate, I think—had lost his deposit.

Under the schedule—it is also animadverted to in the clause that we have just debated—there is to be a public announcement at each stage of the process, so at each point where there is an elimination the returning officer gets everybody together to agree, "Yes, this is the person who is being eliminated, these are the votes that have been cast, these are the second preferences as they have been cast, this is the number of non-allocated ballots," and so on. I am concerned about that, because there has been a growing tendency for the presumption of secrecy during the counting process to be completely ignored, with many broadcasters and journalists asking candidates on the night, in the middle of the count, to reveal what is happening in the process. That is a disturbing trend, particularly in relation to postal ballots. At some counts, the returning officer has decided not to validate the postal ballots separately but to put them in with all the others so that nobody can start doing what every political

[Chris Bryant]

party does—the sampling process—and then say, "It was the postal ballots that won this election," or otherwise. I would be grateful if the Minister could comment on that, particularly as it might apply in the process as it develops.

If we have public announcements at every stage, are we not letting the secrecy of the ballot run away with us? It has sometimes been difficult to get all the agents and candidates together for announcements, and it might take some considerable time to arrive at an election result if one had to go through the whole process at each stage. I understand, however, that according to the schedule there can also be a recount at the end of the process, as long as the final result has not yet been announced. If I am wrong about that, I am sure that the Minister will enlighten me.

I am glad to see this provision:

"A ballot paper on which a number is marked elsewhere than in a proper place shall not be deemed to be void for that reason alone."

That mirrors provisions elsewhere in legislation. However, I wonder what improper place might be given as a reason why a vote might be declared void. In addition, the provision:

"A ballot paper on which the voter makes any mark which…is clearly intended to indicate a particular preference for a particular candidate, but…is not a number (or is a number written otherwise than as an arabic numeral), shall be treated in the same way as if the appropriate number (written as an arabic numeral) has been marked instead",

is an important element of what we are guaranteeing. In the transition from the existing system to the new system, assuming that there is a yes vote, if a voter still has not quite understood the system, or, for that matter, is a conscientious objector to the new system and therefore wants to vote only with their first preference and chooses to do so with an X, a tick, or as the Minister frequently says—I am not sure if that is because he votes in this way—with a smiley face, then we should allow them to do so.

We are fully supportive of the Minister's amendments, which seem to make sense in the way that he has described. I hope that he will be able to answer the questions that I have asked in the course of my comments. Otherwise, I see no reason why the schedule should not stand part of the Bill.

Mr Harper: The hon. Gentleman seems to be mostly concerned about publicity in relation to the declaration of results. Rule 45B in clause 7 requires the returning officer to "make publicly available" specified information, so that information will be public not only to those at the count—the agents and so forth—but to the media and everybody else. He refers to an increasing trend for people to set out the partial results of elections before the result is declared. He will know that that is an offence. I shall not name the person, but there was a parliamentary candidate—a Member of this House—who did that on Twitter and was suitably chastised. However, I do not think it is a widespread situation that people are publicly making declarations or suggestions about the results of general elections. If they were to do so, that would be an offence.

Chris Bryant: I am not sure that that is right. I know about the instance that the hon. Gentleman mentions. Because of the practice of sampling, which happens when returning officers verify the postal votes separately, I have frequently heard people say—indeed, I have heard it in this House—that a seat was won or lost solely by virtue of the postal votes. I would have thought that that was an offence.

Mr Harper: I am not going to get into what may or may not be an offence. The hon. Gentleman may well be right. I thought that he was citing the situation whereby people have referred to results before the result was declared, which is clearly more significant. Because of the nature of the alternative vote, one cannot just wait until the final result but must say what is going on at each stage. The Bill makes it clear that that will be publicly declared so that everybody knows what is going on.

The hon. Gentleman alluded to the recount rules in the schedule, which make it clear that at any stage

"a candidate or candidate's election agent…may request the returning officer to have the votes re-counted".

In the same way as under our current rules, that would be not a demand but a request that could be made. It would ultimately be up to the returning officer to grant it, unless they thought it unreasonable. Of course, the returning officer themselves could choose to have a recount if they thought there were problems with how the count had progressed.

I think those were the only issues that the hon. Gentleman raised, unless I missed any. I therefore hope that the amendments will be accepted.

Amendment 198 agreed to.

Amendments made: 199, page 147, line 19, at end insert—

'(b) in the case of an election with only two candidates who receive an equal number of votes.'.

Amendment 200, page 147, line 20, at beginning insert 'Where paragraph (1)(a) applies,'.

Amendment 201, page 147, line 26, leave out from 'Where' to second 'the' and insert

'paragraph (1)(a) above applies but the tie is not resolved under paragraph (2) above, or where paragraph (1)(b) above applies,'.

Amendment 202, page 147, line 28, leave out 'remaining' and insert 'two'.—*(Mr Harper.)*

Schedule 6, as amended, agreed to.

Clause 8

Reports of the Boundary Commissions

Chris Bryant: I beg to move amendment 127, page 6, leave out line 35 and insert—

'(a) within twelve months of Part 2 of the Parliamentary Voting System and Constituencies Act 2010 coming into force in accordance with section 16(2) thereof',

The Temporary Chair (Mr Roger Gale): With this it will be convenient to discuss the following:

Amendment 341, page 6, line 35, leave out '2013' and insert '2018'.

Amendment 342, page 6, line 36, leave out 'fifth' and insert 'tenth'.

Amendment 38, page 6, line 36, at end insert—

'(3A) After subsection (2) there is inserted—

"(2AA) The boundary review due to be completed by the date set out in subsection (2)(a) above shall not begin until both Houses of Parliament have approved a report from the Electoral Commission certifying that in its opinion sufficient measures have been taken to provide for the registration of eligible voters."'.

Amendment 70, in clause 9, page 7, line 32, at end insert—

'(1A) This rule is subject to an independent assessment of the Boundary Commission as to the potential electorate within any area where the Commission, having consulted—

(a) the Electoral Commission,

(b) the Registration Officer of the local authority or authorities in that area,

(c) such other organisations and individuals whom the Boundary Commission may choose to consult,

determine that the difference between the registered electorate and the assessed numbers eligible to be registered is so significant as to give rise to concern about the number of people to be served within such constituencies as would otherwise be created by rule 2(1) above.'.

Amendment 125, page 10, line 2, leave out from 'persons' to end of line 6 and insert

'who are estimated by the Office of National Statistics to be eligible to vote in United Kingdom parliamentary elections, whether or not they are so registered to vote.'.

Amendment 135, in clause 16, page 13, line 5, at end insert

'with the exception of Part 2, which will not come into force until—

(a) after the referendum on the determination of powers devolved to the National Assembly for Wales under the terms of the Government of Wales Act 2006; and

(b) the Electoral Commission has reported to the House of Commons, that over 95% of eligible voters in each local authority area are estimated to be on the electoral register.'.

Chris Bryant: I presume that once we have been through the amendments, we might then have a clause stand part debate, but maybe you will wish to return to that matter later, Mr Gale, having seen how the debate proceeds.

As the Committee will know, we are now moving into part 2 of the Bill, and into what I believe to be its directly partisan elements. Clause 8 provides for a complete change in how the boundary commissions will proceed, and particularly in the speed with which they will produce their reports. The Government say in subsection (3):

"A Boundary Commission shall submit reports under subsection (1) above periodically…before 1st October 2013, and…before 1st October of every fifth year after that."

The last part of that presumes that another Bill that is currently going through the House, the Fixed-term Parliaments Bill, will not only be carried but remain precisely as it stands. It assumes that we will have five-year Parliaments.

I have pointed out before to the Deputy Prime Minister that the average length of a British Parliament in peacetime since 1832 has been three years and eight months. Notwithstanding the fact that there have been some five-year Parliaments, not least the previous one and the final Parliament of John Major's Government, for the most part the British political system has tended to move more or less in a three and a half to four and a half-year cycle. It would make far more sense for us to proceed on the basis of a four-year Parliament than a five-year Parliament, especially since I find remarkably few instances of the latter around the world.

The existing process for boundary reviews is that they proceed on a seven-year basis. That is partly because after the Triennial Act 1641 originally provided for three-year Parliaments, there was later a move to seven-year Parliaments. As a result of the Parliament Act 1911, Parliaments were changed to five years, but without a change in the seven-yearly boundary reviews.

The assumption has always been that the boundary commissions in each nation of the UK are independent. That has not changed, except that an overriding provision is to be arrived at before each national commission considers the matter. The Government intend that there should be boundary commission reports on the whole country by 1 October 2013 and subsequently every five years. Our amendment would leave out the words "before 1st October 2013" and insert

"within twelve months of Part 2 of the Parliamentary Voting System and Constituencies Act 2010"

this Bill—

"coming into force in accordance with section 16(2) thereof",

which of course provides for the entry into force of the Bill.

7.45 pm

We believe that given the provisions that have been put together, not least those in clause 9 about the number of seats, it is a pretty tall order for the boundary commissions to achieve a review by 2013. Some argue that the six or seven years that they have previously taken is too long and carries the risk that population movements in the meantime are not taken into account. I have some sympathy with that view, and it may be possible to expedite a boundary review, but that would require additional resources. I ask the Minister who responds—I presume it will be the Deputy Leader of the House—what resources there will be.

Why are the Government proposing to have a review conducted in less than three years? After all, it would not even be a standard boundary review. They are proposing arguably the biggest, most controversial and most complicated redrawing of constituency boundaries since the departure of Irish MPs in 1921. The reason why the 1832 Great Reform Act is the largest Bill sitting rolled up in the parliamentary archives in the Victoria Tower is that it goes through each parliamentary constituency in the land in detail, making provision for each. The current Bill, however, will give the boundary commissions carte blanche and demand a review with a swiftness that may mean it does not meet the political necessities of the British constitution.

The Government intend to do all that, of course, on the basis of an entirely new set of inflexible mathematical rules that will mean factors such as geography, history and community being completely and utterly gazumped by the need to adhere unbendingly—or, to be fair to the Government, not entirely unbendingly but only very slightly bendingly—to a higher electoral quota. We will discuss that when we come to clause 9. If there were ever a case for arguing that seven years is an appropriate period for redrawing constituency borders, it is now, because every single constituency in the land is to be redrawn.

Pete Wishart: Does the hon. Gentleman believe that it is right that the boundaries be redrawn, whether in three years or seven? Does he agree that it is almost absurd and bizarre that Labour can secure 70% of the MPs from Scotland with 42% of the vote? Surely that is wrong and must be challenged.

Chris Bryant: Obviously I would love Labour to secure every single seat in Scotland, but I think the hon. Gentleman is trying to entice me to talk about proportional systems, which are not the material of part 2. As he knows, I believe that there is a case for reform and for redrawing boundaries, but how do we decide how that should be done? More importantly in the context of clause 8, we have to consider what time should be allocated for a boundary commission to be able to carry out a review in a genuinely independent way that meets political needs. I understand that he may believe that the boundaries in Scotland are currently drawn up so as to benefit Labour over the Scottish National party, but I am not sure whether that is true.

Pete Wishart: That is exactly what I contend. It takes many fewer electors in Scotland to elect a Labour MP than one of any other party. The reason why I believe a boundary review is necessary is that there is something wrong with the fact that 42% of the voters in Scotland can elect 70% of its MPs. Surely that cannot be right. As a fair man, surely the hon. Gentleman will concede that it is wrong.

Chris Bryant: The hon. Gentleman knows that in majoritarian systems, there is a disproportionate benefit for parties that get beyond 40% of the vote. That is a simple fact, so in a sense, his argument is partly in favour of a change to the electoral system, which I am sure he supports, although I suspect he supports a fully proportional system rather than the one subject to the referendum. However, it is not true to suggest—as we read in some of the propaganda—that it takes fewer votes to elect a Labour MP than a Conservative or Liberal MP. *[Interruption.]* I am not denying that that has happened, but it does not happen because of the drawing of the boundaries. It sometimes takes fewer votes to elect a Labour MP because of the tendency of likely Labour, Conservative or Liberal Democrat voters to live in certain areas.

Gavin Barwell: Has the hon. Gentleman seen the report by the British Academy entitled, "Drawing a New Constituency Map for the United Kingdom"? It finds that a number of factors give rise to the apparent bias in the electoral system, but that constituency boundaries were worth 18 seats to the Labour party at the last general election. He is right to say that there are a number of factors, including the distribution of the vote, but Labour seats are smaller on average than Conservative seats. That independent analysis found that that was worth 18 seats to Labour at the last general election. Has he seen that report and would he like to comment on it?

Chris Bryant: I have seen the report and I agree with some elements of it. I agree with the bits that agree with me and disagree with the bits that disagree with me and that are unhelpful to my argument. The hon. Gentleman mentioned one of the bits of the report that is not helpful to my argument, so I was not going to refer to it.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Contrary to the evidence offered by the hon. Member for Croydon Central (Gavin Barwell), my hon. Friend the Member for Rhondda (Chris Bryant) might be aware that some extensive work by the university of Liverpool that was reported on "Newsnight" in the third week of August showed that the proposed mathematical formula and the arbitrary reduction from 650 to 600 seats would result in a 13% loss for the Liberal Democrats, a 10% loss for the Labour party, but only a 4% loss for the Conservatives.

Chris Bryant: I happened to see that programme, and it helps my argument, so I am quite happy to refer to it.

Gavin Barwell *rose—*

Chris Bryant: He is back again.

Gavin Barwell: I am grateful for the hon. Gentleman's honest answer to my question, and I do not mean to be unhelpful to his argument, but if he accepts that analysis—

Chris Bryant: I do not accept it.

Gavin Barwell: The hon. Gentleman must do a little better in explaining why he does not accept that analysis. If, as the independent British Academy report suggests, the current boundary system favours the Labour party, albeit in a minor way, does he accept that it is unreasonable to allow that unfairness to continue, and does he agree that it should be addressed before the next general election?

Chris Bryant: There are a lot of misconceptions in relation to the supposed benefits or otherwise of the system to the Labour party. For instance, I heard frequently during the general election—this is before Cleggmania rose and fell—that the system was unfair because the Conservatives would need to be 10 points ahead to gain a majority. That is not precisely the hon. Gentleman's point, which I will come to in a moment, but many people forget that the difference between winning an election and winning a majority is significant in our system. However the boundaries are drawn, the moment a party gets over the 40% mark in a majoritarian system such as ours, it tends to do rather better than its share of the vote would suggest.

Mr MacNeil: The reason why parties or people do well in a majoritarian system when they get more than 40% of the vote is that the first-past-the-post-system was really designed for two players. A third or fourth player complicates first past the post and renders it idiotic, but for chaos theory.

Chris Bryant: I enjoyed the hon. Gentleman's pronunciation of the word "renders", but other than that, I am not sure I agree with his point. It is true that in elections in the previous century, the Conservative and Labour parties secured something like 95% or 96% of the vote and that in the last election, we secured considerably less than that. That is one reason why we ended up with a hung Parliament. However, I do not see how that bears on my point, which is that in a majoritarian system, once a party gets more than 40% of the vote—many

think that this is the great benefit of that system—it tends to find it rather easy to get not just a majority, but a fairly hefty one.

Graham Stringer: We can try to work out how many votes it takes to elect a Scottish National party MP or a Labour MP, but the distribution of seats, turnout and the number of candidates standing are bigger factors than boundaries. My hon. Friend and I would have no objection to a quick boundary review if it were seen to be fair, and if there were a right of appeal against Boundary Commission decisions.

Chris Bryant: My hon. Friend makes precisely the point that I have laboriously tried to make, and far more succinctly. He is right that a wide range of factors pertain to the different number of votes it takes to elect Labour and Conservative MPs. The Liberal Democrats are not in contention in a large number of seats in the country but none the less gain 15% or 20% of the vote nationally. They accumulate a lot of votes around the country, but do not necessarily secure seats in the House of Commons. That is one function of the majoritarian system. I do not think that the number of votes necessary for election indicates fairness or unfairness in relation to drawing the boundaries. Short of gerrymandering the boundaries so that the pockets of Lib Dem voters around the country ended up in the same constituencies, we would be unable to overcome that element of unfairness.

Gavin Barwell: I am grateful to the hon. Gentleman for giving way to me a third time. I completely agree with his argument on the number of voters that it takes to elect MPs from certain parties. However, for the benefit of hon. Members who have not seen it, the British Academy report shows that the average electorate in Labour seats is significantly lower than the average electorate in Conservative seats. Even after we strip out factors such as turnout and the advantageous concentration of the Labour vote in certain parts of the country, a partisan advantage is still derived from the way in which the boundaries are drawn. In the average Labour seat, there are just over 69,000 electors, but in the average Conservative seat, there are just over 73,000. That is unfair. Should it not be corrected before the next election?

Chris Bryant: I have said several times already in the course of these debates that there should be a greater drive towards equalisation. However, as we will debate under clause 9, I do not want the drawing of our constituencies to be merely mathematical. Other things must be taken into consideration.

Ian Lucas (Wrexham) (Lab): One factor that needs to be taken into consideration is that the United Kingdom is made of four distinct countries, with four distinct constitutional settlements. Therefore, to proceed on a purely mathematical basis is completely incorrect. We must take into account the constitutional settlements in place in the respective countries, a point of which I know my hon. Friend is very well aware.

Chris Bryant: My hon. Friend has been making extremely sensible remarks on such issues ever since he and I were at university together, and he makes an important point now.

I say this to the hon. Member for Croydon Central (Gavin Barwell), who has intervened three times: changing the boundaries in the way that he suggests will not of itself make the dramatic difference that he thinks it will make. My argument on clause 8 is that there is a real danger that the boundary commissions will be unable to redraw every single constituency in the land with proper diligence and sheer impartiality using a mathematical equation. Of course, they can bear other things in mind, but not if a proposed constituency strays outside the mathematical equation.

Mrs Laing: Is the hon. Gentleman aware that the representatives of the boundary commissions for each part of the UK gave evidence to the Select Committee on that point, saying that what they will be required to do by the Bill can be done properly, reasonably and in a measured and correct way?

8 pm

Chris Bryant: Yes, I know that they have said that, and of course they would say that, wouldn't they? If they are required by Parliament to do that, they will undoubtedly do their best to achieve it. However, to be able to do so for 600 or 650 constituencies—whatever number we end up with—will be difficult in a completely changed system without dramatically increased resources. The only way it can be achieved in that time is to get rid of the due process—the public inquiries. Getting rid of those inquiries is likely to destabilise people's understanding of their parliamentary constituency, and that is a retrograde step. Without due process, it is difficult to proceed in the way that is being suggested.

Mr Andrew Love (Edmonton) (Lab/Co-op): Surely the important factor is not what the boundary commissions think, but what the public will make of this process. Is not the real danger that the rushed approach and the huge changes that will be made to constituency boundaries will mean that the public will come to see the boundary commissions as partisan and unfair, as opposed to independent and objective?

Chris Bryant: Indeed. The Electoral Reform Society has produced two versions of what might happen in Wales with a reduced number of seats. The suggestion for the Rhondda, the parliamentary constituency in which I take most interest—as hon. Members will not be surprised to learn—is that the Rhondda Fach should be split, with the north end being put in one constituency and the south in another. It also suggests that one of the wards should be split in half. That would be bizarre.

Any of us could swiftly split the country up in that way, probably in less than a week, but that does not necessarily mean that the result would be the right constitutional settlement for this country or an appropriate approach to take. Members of Parliament should have roots in their local communities—not personally, but their office should have roots in the local community—and the number of voters in each constituency should be broadly equal around the country. However, constituencies also need to match the political structure in the local area, and that is an important factor. Balancing all those factors cannot be done swiftly.

Martin Horwood (Cheltenham) (LD): The hon. Gentleman may be overestimating the complexity of this task. Gloucestershire has six MPs and almost exactly the right population for six MPs under the new system, so very little adjustment will be needed there. That could also be true in large parts of the country, and he may be extrapolating too much from the Rhondda valley.

Chris Bryant: That smacked a little of "I'm all right, Jack" to me. The problem is not only what happens in Gloucestershire and the boundary commissions cannot bear in mind only what happens there. I am sure that the hon. Gentleman and the hon. Member for Forest of Dean (Mr Harper) are united on the proposal that Gloucestershire should retain six seats. The point is that neighbouring counties may not have sufficient numbers and may have to nick population from somewhere else. When we come to the divvying up of boundaries, that is one of the issues to which I wish to refer, and I have some examples. However, just as we should not look at the whole country on the basis of what will happen in the Rhondda, nor should we look at it in relation to what happens in Cheltenham.

Luciana Berger: Unlike in Gloucestershire, we have just over 30,000 households in Liverpool that are not on the register, which means that the number of MPs will probably be reduced from five to four, and my hon. Friend the Member for Liverpool, Walton (Steve Rotheram) received a parliamentary answer that confirmed that it was conceivable that a constituency in Liverpool could be split by the River Mersey.

Chris Bryant: That is the sort of thing that makes sheer nonsense of the situation. Indeed, I believe that someone in Cornwall is on hunger strike because of their objection to the proposals. My hon. Friend mentioned a constituency being split by a river: for those in the Rhondda, having half the Rhondda Fach allied with the Rhondda Fawr, and the other half with the Cynon Valley is almost as difficult a concept to grasp.

Naomi Long (Belfast East) (Alliance): The speed with which this will have to be done and the fact that the public inquiries will be dispensed with are key points. In the last two boundary commission reviews in Northern Ireland, both public inquiries led to changes in the recommendations, and that gave the public confidence in the boundaries. Does the hon. Gentleman agree that it is foolish to sweep that aside?

Chris Bryant: I presumed that the hon. Lady would speak with some authority, as she is a member of the Speaker's Committee on the Electoral Commission and knows her stuff. She is right: if there is no due process, with a proper opportunity for people to provide oral evidence to a public inquiry, the public cannot be carried along with the changes to the boundaries. That is why it will be difficult to perform this function to the timetable that the Government suggest.

Nic Dakin (Scunthorpe) (Lab): Does my hon. Friend agree that if we are doing a jigsaw with 600 pieces instead of 650 pieces, every piece will be different, so it is naïve to think that significant changes will not be necessary across the whole country?

Chris Bryant: That is certainly true. Should the boundary commissions start from the south of England and work their way upwards with their mathematical equations? When the process starts, how often should the boundary commissions allow themselves to use the 95% rule and how often they should force themselves to use the 105% rule? In addition, my hon. Friend the Member for Wrexham (Ian Lucas) made the good point that the Parliament of the United Kingdom of Great Britain and Northern Ireland has always been constituted on the basis of its four constituent parts. The consideration has always been first that there should be X parliamentary seats for, say, Wales, and then those seats have been distributed within that area. That is a more constitutionally wise way to proceed.

Mark Tami (Alyn and Deeside) (Lab): My hon. Friend will be aware that in Wales we are looking at county council boundaries, which is causing all sorts of chaos. Some of my wards have registration levels of 70% to 75%, but in others registration levels are 95%. So the decisions will not be made on the true population levels of the seats.

Chris Bryant: My hon. Friend is right. There are many reasons why electoral registration is so low in certain communities, and in some cases people do not want to register because they do not want to pay council tax—a residue from the original attempt to introduce the poll tax—and others might not want it to be known that they are living in a particular house. In some urban areas, with a highly mobile population, many people are not registered because the process of registering is so difficult. We make it virtually impossible for someone to register at any one time, and that is one of the problems that we need to overcome.

Graham Stringer: Several interventions ago my hon. Friend was destroying the complacency of the hon. Member for Cheltenham (Martin Horwood). He made the case that county boundaries will not necessarily be taken into account in working out constituency seats. Does that not show something that has not really come out in this debate and the public discussion, which is that it is most unlikely, if these proposals go ahead, that any hon. Member will ever again represent the same constituency from one election to another?

Chris Bryant *rose—*

The Temporary Chair (Mr Gale): Order. The Front-Bench spokesman asked whether there would be a stand part debate. As is generally known, I take a fairly relaxed view about these things, but we can have a stand part debate only once, and it seems to me that we are having it now.

Chris Bryant: Although you said it with a wry smile, Mr Gale, you make an eminently sane point.

My hon. Friend the Member for Blackley and Broughton (Graham Stringer) also makes a good point, which is that we are to do this every five years. In other words, between each election, every Member's boundaries could be redrawn. That does not provide any political stability to constituents. It is already difficult enough for most members of the public to know who their MP is. It is one of the embarrassing things about the British political system that very few people know who their MP is.

I hate to refer again to the Rhondda, but it is probably easier for people there to know not the name of their MP—I am not asserting that—but that their MP is the MP for Rhondda, because they know that they live in the Rhondda. Most people do not know the name of their constituency, so when the MP for Middle Wallop comes on television, they do not know whether they live in Middle Wallop, Upper Wallop or Nether Wallop. That matters because it is about ensuring that MPs are not deracinated from the politics around them.

Mrs Laing: The hon. Gentleman is missing the point. The point is that all Members of the House elected to take part in the law-making process of our Parliament should come here with equal weight and represent an equal number of people, regardless of whether they are in Scotland, England, Northern Ireland or Wales, and regardless of whether they are from a mountain, a hillside, a valley or an inner city. It is the principle of democracy that matters.

Chris Bryant: I completely and utterly disagree with the hon. Lady. Of course one ought to strive towards equality in representation, but that is simply not the British way of creating the House of Commons. Historically, we said, "Okay, the shires need to be represented", and consequentially the knights of the shires were brought into the first Parliament in the 13th century—incidentally, the only reason we know the names of any of those who first attended is that they presented their expenses chits and had them paid. Then we decided that the towns and villages needed representation, because the principle was that representation was based on communities—it was communities that were represented here. It was not just about the mathematical calculating machine system for deciding constituencies. There are countries that have used that system. The United States of America uses it for its House of Representatives. In fact, that is what led to the concept of gerrymandering—it was, I think, a Governor of Massachusetts, Mr Gerry, who was the first person to create a constituency designed to get him re-elected, and it was in the shape of a salamander.

Greg Hands (Chelsea and Fulham) (Con): May I return to the earlier point about urban under-registration, because it is an important point in seats such as mine? However, that is an operational matter for the electoral registration officer and the Electoral Commission; it is not an excuse for perpetuating a bias in the electoral system in favour of small urban seats. It is an important matter, but let us not confuse two things.

Chris Bryant: The hon. Gentleman is right in a sense, although I expect that the under-registration in his constituency is nowhere near as high as it is in, for example, Hackney North and Stoke Newington or Hackney South and Shoreditch, which have much more mobile populations, in part because the people there do not own their own homes and because of the ethnic mix. Clear evidence has also been provided showing that people from black and ethnic minority groups and poor people are far less likely to register. We need to bear that in mind. I shall refer to that again when we discuss how many MPs there should be.

8.15 pm

The hon. Member for Epping Forest (Mrs Laing) said that we should have mathematical purity when drawing boundaries. Wales has 22 local authorities. That was not our choice: they were given to us by the right hon. Member for Wokingham (Mr Redwood) when he was Secretary of State for Wales. It is a crazy number, and would make it very difficult to draw boundaries without crossing in some cases more than one local authority boundary. That is a political problem.

Gavin Barwell: The problem that the hon. Gentleman is trying to explain occurs under the current rules. There are plenty of constituencies in this Parliament that cross local authority boundaries. We already have and deal with the problem to which he alludes.

Chris Bryant: I am terribly sorry, but I missed the hon. Gentleman's point.

Gavin Barwell: The hon. Gentleman made the point that, if we go for greater electoral equality, we will have seats that cross local authority boundaries, but there are already significant numbers of Members representing seats that cross local authority boundaries. Lots of London seats cross London borough boundaries. *[Interruption.]* No, the London borough of Croydon is not crossed, but the neighbouring borough of Bromley has a seat that crosses into Lewisham, and that applies to the seats of lots of hon. Members. It is perfectly straightforward.

Austin Mitchell: Not county boundaries.

Gavin Barwell: Yes, there are seats at the moment that cross regional boundaries. The seat of Brigg and Goole is in Lincolnshire and Yorkshire.

Chris Bryant: I am not sure who is giving way to whom now. The hon. Gentleman makes a point, and it sounds like he is happy with crossing those boundaries— *[Interruption.]* And clearly the Minister is relaxed about it as well. However, I am less relaxed about it. There is already a problem with it, but there is no need to exacerbate it.

Political boundaries are one thing—in the end they are in our minds, they are a political construct—but geographical and cultural boundaries are not just boundaries that we have imposed; they have been given to us by others.

Andrew George (St Ives) (LD): Further to the intervention from the hon. Member for Chelsea and Fulham (Greg Hands) about adopting an approach of mathematical purity and equality, he will be aware of my amendment 70 on taking into account concerns about voter registration levels across the country. This is not merely a technical matter for registration officers. As I suggest, it should be a matter for the discretion of the Boundary Commission when it takes into account the relative weight of a population in an area, bearing in mind the indicative registration levels that should apply in that area, whether it be urban or rural.

Chris Bryant: The hon. Gentleman makes a good point. The pattern of under-registration is different in different parts of the country. The consistent bits are that poorer people and those who live in rented accommodation are less likely to register, black and ethnic minorities are less likely to register and the young are less likely to register. That is a problem.

[Chris Bryant]

I confess to the Committee, however, that Labour Members cannot preach overly on this issue because we failed to take some of the steps that could have been taken to change the electoral registration system. *[Interruption.]* The hon. Member for Chelsea and Fulham (Greg Hands) says rather unfairly, with a scowl on his face, that we failed to take any measures. We took some measures, but we should have adopted the situation in Chile, where it is mandatory to register. I wish that we were moving towards that, but unfortunately the Minister completely disagrees.

Geraint Davies (Swansea West) (Lab/Co-op): I want to follow on from the point about under-registration. The response to the hon. Member for Croydon Central (Gavin Barwell), whose constituency I know quite well, is that, on average, there are more registered voters in Conservative seats than in Labour seats. The differences referred to are more than explained by that demographic bias. Many Labour seats contain as many people of voting age as Conservative seats. For example, Bradford West has an 18-plus population of 77,848, but the registered electorate is just 62,000. Bermondsey and Old Southwark is a starker example. There, the 18-plus population is more than 101,000, but only 76,000 people are registered. Does my hon. Friend accept that this is systematic bias against poorer people in Labour seats? If we compare the number of seats with the size of the 18-plus population, we see that there is no bias. This is about gerrymandering, not fairness.

Chris Bryant: My hon. Friend, now the Member for Swansea West, is right, in the sense that the level of registration makes a dramatic difference to the issues that were raised by the hon. Member for Croydon Central (Gavin Barwell), which were not sufficiently addressed by the British Academy report. It perhaps takes someone who is used to knocking on doors and discovering that the electoral register has large gaps in it to make that kind of analysis. My anxiety is that many local authorities do not engage in proper canvassing, and consequently seem to take a rather lackadaisical attitude towards getting people on to the register. Local authorities should be saying, "We know you exist, because you're being paid benefits. The least that we can do is put you on the electoral register and not make it almost impossible for you to register."

Luciana Berger: Does my hon. Friend believe that the forthcoming census, which comes only a few months after the arbitrary cut-off date in March and will cost £500 million, with 38,000 canvassers knocking on doors across the UK, could provide a fantastic opportunity to boost registration in constituencies such as mine, where more than 5,000 households are not on the register?

Chris Bryant: My hon. Friend makes a good point. There is no reason why the census should not be able to engage in that activity. If people are going door to door, they could be doing more than one task. In addition, there will be profound embarrassment if, according to the census, the number of people eligible to register in Liverpool, Manchester or Birmingham, or wherever else, turns out to be considerably higher than the number of people who are registered, and yet constituencies have still been allocated solely on the basis of those who are registered.

Heather Wheeler (South Derbyshire) (Con): I find this conversation difficult, because we have electoral registration officers whose job it is to get people on to the electoral register. That is their day job. In South Derbyshire, registration stands at some 98.5%, which is absolutely excellent and shows that it can be done. I do not understand why the hon. Gentleman feels that the job is too difficult to do. It is not too difficult to do.

Chris Bryant: In a sense, the hon. Lady makes my point for me. Registration in her constituency may be at 98%, but in many constituencies in the land it is closer to 80%. That is precisely the problem, because—to meet the point that the hon. Member for Epping Forest (Mrs Laing) made—those are the places where there will be an inequity of representation if we proceed solely on the basis of what is proposed in the Bill.

Mark Tami: I totally agree with the hon. Member for South Derbyshire (Heather Wheeler). However, that is the point: the job can be done, but too many local authorities are interested only in doing a tick-box exercise, as if to say, "We sent the forms, we sent them again, we've sent someone round, and no one has replied," despite the fact that everyone knows that a number of people are living in the property concerned. However, as far as the local authority is concerned, it has done what it wants to do, but it is not prepared to put in the extra work to get those people on to the register.

Chris Bryant: That is true. Most local authorities are having to make fairly substantial cuts at the moment, and my anxiety is that they will find their electoral registration budgets all too easy to cut, because people will think, "Well, you know, what's the real benefit of that?" From my perspective, if we are to achieve equity—which, broadly speaking, means achieving the equalisation of seats, but not absolute equalisation, to allow for where the Boundary Commission has an overriding concern, whether about a geographical community or the splitting of wards, which I hope all hon. Members would think was more complicated—then we need to change what the Bill currently provides for.

The Government propose a timetable of less than three years, which is artificially quick, even under the Bill's own terms. I do not see why the timetable has to be three years. According to clause 8(3), future reviews will be held on a five-yearly basis, but the initial, dramatic redrawing of boundaries is being tracked even faster than this apparent ideal. Why? Is the reason that the Government are trying to minimise the risks of the results being made out of date by interim changes in the population? There are significant parts of the country where population changes are moving swiftly. Is that why the Government wish to move so fast? I suspect that that cannot be the reason, or else they would be proposing that three years should always be the period for boundary reviews.

I suspect that the truth is far less respectable. As the Deputy Prime Minister himself admitted in the House in July, the real reason for this rushed process is political convenience. He said that

> "we need to start with the work of the boundary review as soon as possible in order that it can be concluded in the timetable that we have set out. That is why the boundary review will be based on the electoral register that will be published at the beginning of December this year."—[*Official Report*, 5 July 2010; Vol. 513, c. 37.]

That is a circular argument.

Greg Hands: Is the hon. Gentleman defending the status quo? Under the current system, we typically have boundary reviews every three Parliaments, with the population data that are fed in typically being about 10 years out of date. The new boundaries that were introduced in May were based on electoral registers from 2000, and they may still be in force in 2024 if we have three five-year Parliaments. Is he seriously defending the status quo, under which our data can be up to 24 years out of date?

Chris Bryant: I think that I am correct in saying that that system was set up by the previous Conservative Government, and no, I am not defending the status quo. I am not defending it in relation to the overall structure of the system that we ought to have, nor am I defending it in relation to the precise allocation of seats, and so on. As I have said several times in this debate, I would prefer to move towards closer equalisation. However, I want the boundary commissions to bear in mind other factors, which should include the political realities of the Union, along with ward and other political boundaries. Boundary commissions should also be able to bear in mind geographical features, such as rivers, islands and, in my case, valleys, as well as physical access, because it is pretty difficult to tie two places together that have no access between them.

The timetable for the boundary review is not driven by practical concerns about what would be suitable, but by crude and, I believe, partisan calculations that are the antithesis of the supposedly high constitutional principles that the Deputy Prime Minister invoked in his first speech in office. How quickly those noble ideals seem to have been cast aside. Back then he promised the

"biggest shake up of our democracy since 1832, when the Great Reform Act redrew the boundaries of British democracy, for the first time extending the franchise beyond the landed classes."

Mr Love: Is not the most iniquitous thing about this Bill that there has been no attempt to seek cross-party consensus, which has always happened in the past?

Chris Bryant: Not only that, but there has been absolutely no pre-legislative scrutiny. In particular—

The Temporary Chair (Mr Roger Gale): Order. So far as I can see, we have debated most of clause 8 and a chunk of clause 9, and we are now moving on to clause 10. The hon. Gentleman has yet to move the first of a series of amendments to clause 8, many of which other hon. Members wish to speak to. I would be grateful if we returned to the amendment.

Chris Bryant: Many thanks, Mr Gale.

I was trying to argue that the Government want to move with precipitate haste towards producing a Boundary Commission report on 1 October 2013, and that that date has been arrived at for the specific purpose of trying to hold together the coalition, in order to drive all of this forward towards the measures relating to five-year Parliaments in the Fixed-Term Parliaments Bill.

An Electoral Commission study published earlier this year found that under-registration was concentrated among specific social groups. That is why I believe that it would be inappropriate to move at the pace on which the Government are insisting, and why the amendments would be more appropriate. The hon. Member for Leeds North West (Greg Mulholland) has tabled amendment 341, which proposes to leave out the date "2013" from the clause and insert "2018". That would be a more appropriate timetable, and if he were to press that amendment to a vote, we would want to support him. Mr Gale, I am grateful for the leniency that you have shown in this debate, and I look forward to hearing what the Minister has to say.

8.30 pm

Greg Mulholland (Leeds North West) (LD): I must start by saying that I did not know that the word "majoritarian" existed until now, so, as a politics graduate, I have learned something new. I rise to speak in support of amendments 341 and 342. I am pleased to say that they are, in parliamentary terms and in common-sense terms, remarkably simple. Amendment 341 would simply delay the introduction of new boundaries following any boundary review, whatever its findings, until after the next but one general election. That would mean that the next election would be fought on the current boundaries, and that the new boundaries—whatever they might be—would be introduced afterwards, in time for the election in 10 years' time, if we have fixed-term Parliaments.

Amendment 342 relates to the regularity of boundary changes. Redrawing the boundaries every five years, for every Parliament, is simply not sensible. I am happy to support the principle of having more equal constituencies, but the proposals as they are now worded show no recognition of the reality of the process of introducing boundary changes. Every boundary review and change incurs a significant cost, which we should surely be concerned about in a time of austerity. They also cause chaos for the constituents of all hon. Members around the country, and for all the local authorities that have to work out the boundaries. Recently, I found out that one of my local pubs had been wrongly put into Leeds Central as a result of the latest boundary changes.

This illustrates the point of amendment 341. We introduced significant boundary changes for the election that took place just six months ago, and to ask the people of this country to understand why we are now going to redraw them again, even for a good reason, is simply not common sense. It is simply not acceptable.

Mrs Laing: I understand what the hon. Gentleman is saying, but he must accept that those boundary changes were based on figures collected almost 10 years ago. Also, does he accept the principle of the equalisation of the numbers of voters in constituencies?

Greg Mulholland: Forgive me, but I do not think the hon. Lady has been listening to my comments very well, because I just said that I supported the principle of having more equal constituencies. I support that aim, although I also support many of the caveats relating to common-sense, physical boundaries and to local determination which other amendments deal with. However, I support equalisation as a principle.

Mrs Laing: I was listening to what the hon. Gentleman was saying, and I am still listening, but he is contradicting himself. If he agrees with the principle of equalising the number of electors in each constituency, he must accept

[Mrs Laing]

that populations move and that their numbers change, and that there must therefore be boundary changes. If he is simply arguing that they are inconvenient for the boundary commissions, I do not think his argument is very strong.

Greg Mulholland: I think the hon. Lady must be the only person in the Chamber who could possibly regard what I have said as a contradiction. I will tell the Committee who is inconvenienced by the boundary changes: it is the voters of this country, as well as Members of Parliament. There are constituents in this country who have been in four different constituencies in recent times. They simply do not know what parliamentary seat they are in, who their MP is or even who they will be allowed to support at the next election.

John Mann (Bassetlaw) (Lab): The hon. Gentleman is making the sensible case for equalisation rather than the illogical case for it. Does he agree that if such a profound change were to take place and if it were the view of Parliament, it would be right and proper to bring the measure in over a longer and more considered period of time, not least because the Government's proposal is not for an equalisation but for an equalisation plus or minus 5%? Thus a degree of discretion will be allowed, which is potentially arbitrary. It could be countered even on the principle of equalisation if there were the ability to have public inquiries and hearings based on the principle that the hon. Gentleman is advocating.

Greg Mulholland: I thank the hon. Gentleman for his intervention, but let me make it clear again that I support the principle of having more equal constituencies. Indeed, we need to move towards such a system that recognises, as the hon. Member for Epping Forest (Mrs Laing) said, that populations change. Clearly, that has to be recognised; it is why we have boundary changes now. It is also fair to say that those boundaries changes might be too infrequent and based on out-of-date data. However, that is an argument for having boundary changes every 10 years so that we have the same boundary at least for two consecutive general elections. Having different boundaries for every single general election is, frankly, absurd and would lead to utter electoral chaos.

Mr Andrew Turner (Isle of Wight) (Con): The problem at the first redrawing would be one of the massive reconstruction of the whole country. With the second, third and subsequent redrawings, if there is such a word, there would be only marginal changes.

Greg Mulholland: Indeed, but the hon. Gentleman makes my point because that huge initial change should not be rushed through, certainly not a mere five years after new constituency boundaries have been formed. He knows—I have said this to him in person—that I support his particular campaign for his area and his constituency to remain as one. He provides living proof of one of the very caveats I agree with to the principle of more equal constituencies, which I generally support.

Naomi Long: Another issue that has not been discussed in relation to changing boundaries more regularly is that the elections for this Parliament are out of sync with the Northern Ireland Assembly elections, for example, which happen between general elections but with the same boundaries. When the boundaries change, it can lead to the anomalous position whereby my constituents in Dundonald, for example, are part of the Belfast East parliamentary constituency for Westminster purposes—so I represent them—but they are represented by my Strangford colleague in the Northern Ireland Assembly. They are sometimes uncertain to which constituency they owe their loyalty and to whom they should go with their problems and difficulties. A level of confusion among the electorate is created. I think that is unhelpful if we want to get people more connected with politics, which is what will ultimately improve registration.

Greg Mulholland: The hon. Lady reminds us that there are indeed many complications stemming from devolution in the three affected nations. As an English MP, however, my concern with devolution is that there is not yet a satisfactory solution for the English people at this stage—something for which I shall continue to push.

Whenever boundary changes are made or proposed, we see the disfranchisement of possibly hundreds of thousands of people. It results in two classes among the electorate. The first class comprises the people who can vote for someone again after the boundary changes are made; but then there are people in limbo in certain parts of our constituencies. We were their Member of Parliament leading up to the last election, but we knew and they knew that they could not vote for us. They could no longer realistically hold us to account. They could not realistically expect us to knock on their doors—again because they knew and we knew that they could not vote for us. They did not know who their candidates would be in the general election. That is chaos; it should not happen more frequently than once every 10 years. The idea of making boundary changes for every election is simply ridiculous. I hope that that point will be taken seriously on Report and in the other place.

Dan Rogerson (North Cornwall) (LD): Some Members may not be aware of the knock-on effects on constituencies. The hon. Member for Isle of Wight (Mr Turner) suggested that there might be marginal changes in subsequent boundary reviews. In fact, an urban extension might have an initial effect on the constituency involved and subsequent knock-on effects on others, and the change might be more radical each time a boundary was subjected to a review.

Greg Mulholland: My hon. Friend has made a good point. I am amazed that the reality of boundary changes is being accepted by so few Members, despite the effects that it will have on their constituents.

As Members who served before the last general election know all too well, there is also a huge problem with parliamentary protocol, which causes all sorts of squabbles and spats. According to the democratic process, I, as a candidate, had every right to knock on doors in the bits of the constituencies next to mine where I would be asking people to vote for me; yet, theoretically, parliamentary protocol says that I should not do so. I am afraid that such matters have simply not been considered.

Owen Smith (Pontypridd) (Lab): Is not the reason why so many Government Members seem to have failed to notice that the Bill will have an enormous impact not just on seats in areas like mine in Wales—which will pay a heavy price—but on seats throughout England that they are being reassured by their Front Benchers that this is gerrymandering that will strip out Labour Members but not have a detrimental effect on Tory seats? The reality is very different. As the hon. Gentleman says, there will be an impact on every Member's seat.

Greg Mulholland: I take issue with the sentiment expressed by the hon. Gentleman. We must stop this being a partisan, party political matter. We are talking about electoral, constitutional and parliamentary changes. They should be taken very seriously, and every Member should speak on that basis and that basis alone.

Pete Wishart: We are getting to the heart of the debate now. This is what it is all about. As the hon. Gentleman has said, there is an in-built Labour advantage in the current arrangements, and the coalition are trying to deal with it. I am not in favour of retaining a Labour advantage in elections, because my party is at a disadvantage. Why is the hon. Gentleman in favour of that?

Greg Mulholland: It sounds to me as though the hon. Gentleman is thinking of his self-interest. My point is that that should not be the principle of changes of this nature. It should not be the approach of any party in the House or any individual hon. Member. I am disappointed that the hon. Gentleman thinks in those terms when it comes to such a major change.

Geraint Davies: May I extend the hon. Gentleman's point a little? Does he accept that in the event of gradual migration from the north of England to the south—for reasons connected with jobs, for instance—there may be dramatic and ongoing changes as each constituency in the south becomes more populated, while those in the north become less populated? If we change the boundaries every five years, there may be enormous shifts.

The hon. Gentleman made an eloquent point about whether Members were familiar with their own constituents. This proposal would lead to a shambolic effect on the association between Members and the stable populations that they represented.

Greg Mulholland: If the hon. Gentleman visited my constituency, he would understand why people not only would not want to leave but would want to move there in great numbers. *[Interruption.]* From a sedentary position, the hon. Member for Epping Forest (Mrs Laing) asks whether we do not need two Members of Parliament. Perhaps she is making the case for an English Parliament. As I have said, the English question with regard to devolution certainly needs attention.

Mrs Laing: Will the hon. Gentleman give way?

Greg Mulholland: I am willing to do so, although I suspect that you may not allow it, Mr Bayley. It is up to you to decide whether it is in order.

Mrs Laing: I thank the hon. Gentleman very much for giving way a third time. I had no intention of interrupting him at this point, but as he has put words into my mouth, I must ensure that they are not on the record as mine. I will advance no argument for an English Parliament, now or at any other time. What I was saying to the hon. Gentleman was that if many people came to live in his constituency—as he has just said that they might, because it is such a desirable place—the population would rise considerably, and it would need more than one Member of Parliament in order to have equal representation in the House.

Greg Mulholland: I am starting to worry that my acting as a tourism officer for Leeds North West may attract an undue influx of people to the constituency. I think a few would be good for the local economy, but if there is such an influx I will come back to the House and explain that we do have a real problem.

8.45 pm

It is rather odd that the hon. Lady should make that point given that I have already said that I support the principle of more equal constituencies, which she agrees with, and that it should be done on a sensible and regular basis. I think that that sensible and regular basis should be every 10 years—at every other general election, rather than every election. That seems to me to be so commonsensical that I fail to understand why someone with as much common sense as the hon. Lady does not support it. I can only suggest that perhaps some of the rather less kind comments from certain Members might explain in part why other Members do or do not support this proposal. Indeed, the hon. Member for Perth and North Perthshire (Pete Wishart) was at least honest about supporting it for the entirely self-interested reason that he hopes the Scottish National party will gain in representation as against the Labour party.

I support many proposals in the Bill, and I support the principle of sensible, more equal constituencies, but we should not be enforcing yet another boundary change—with all the ensuing chaos, cost and confusion both in Parliament and outside—before the next general election. That change should come in after the next election, and we should have a review every 10 years, or for every other election.

Geraint Davies: Amendment 125 suggests that instead of using the register of voters for calculating the relative size of constituencies, we should use the best estimate of eligible voters, so that each MP represents the same number of people who are eligible to vote, not the same number of people who happen to have registered. I propose that because of the demographic bias in respect of the categories of people who are more or less likely to register, and my contention is that all those people have the right to vote. They may at some point register if there are better registration systems, and they should not be denied a proportionate voice. I also contend that those Members, particularly on the Government Benches, who have argued that there is a systematic bias in favour of the Labour party because the average number of registered voters in Labour seats is less than the average number in Conservative seats miss the point that that bias does not exist when account is taken of the number of eligible voters—those aged over 18.

I do not intend to run through a comprehensive list, although I have been provided with figures from the Library. I pointed out earlier that in Bradford West there are 77,848 people over 18, yet only 62,519 are

[Geraint Davies]

registered. In Holborn and St Pancras in London, there are 119,000 people aged over 18 and the number on the electorate is 86,000, and the electorate as a proportion of the 18-plus population is just 73%.

To summarise, the top line of my argument is that we must have the right basis for doing the calculation before we have a big argument about whether we should then apply other criteria, such as community and geography. We should establish fairly and squarely the basis of the argument put by the Government, and decide who we should be counting. I say that we should be counting those who are eligible to vote.

Greg Hands: I am following the hon. Gentleman's argument, I think, but does he think that there is an easy way that can be picked up in his amendment to tell the difference between a set of electors—say, US citizens living in the constituency that he just named—who are not able to vote under any circumstances, and those who would be able to vote but are simply not registered?

Geraint Davies: I should certainly like to help the hon. Gentleman on that point. What the amendment actually says is that we should use figures by the Office for National Statistics for who is estimated

"to be eligible to vote in United Kingdom parliamentary elections".

Obviously, the question is how the ONS would make that estimate. The answer is by using a combination of the register of electors, the census and other data forms.

As has already been pointed out and as we all know by now, there is a systematic bias against the registration of certain categories of people—ethnic communities, people in private rented accommodation, 17 to 24-year-olds and, generally, those in poorer areas. Those poorer areas tend to be more likely to be represented by Labour MPs. That explains the difference in the average figures for registration. The problem that I have with the current thrust towards quickly redrawing the boundaries on the basis of registered voters is that clearly there will be a bias in that, so people from poorer communities will be under-represented. That is not effective or fair democracy.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Is my hon. Friend as surprised as I was by the fact that the Government do not seem committed to putting in extra resources in the lead-up to December to gain the count that they seek for the new constituency boundaries?

Geraint Davies: That is unfortunate and surprising. If one were cynical about it, one would say that the Conservatives already know that there is a registration bias in favour of people who, demographically, are more likely to vote for them, so why should they take the action that my hon. Friend suggests? I introduced the amendment to say, "Let's do this on a fair and equitable basis." We want more registration because the people who are registered to vote are the people who are allowed to vote. That is a separate issue from the relative sizes of constituencies, which should be based on the number of people who are eligible to vote. We hope that those people will, over time, register to vote and will ultimately vote.

Mrs Laing: We have been having the argument about registration across the Floor of the House for many years. Does the hon. Gentleman agree that the individual has to take a certain amount of personal responsibility in registering to vote, especially when individual voter registration is introduced—a measure brought in by his Government, with the support of the then Conservative Opposition? Does he agree that there is an element of personal responsibility, that sometimes people do not register to vote because they choose not to do so, and that they therefore choose to lose their vote, for whatever reason?

Geraint Davies: Clearly, we all want to encourage individual responsibility, and I think that there is an individual responsibility to try to register to vote. However, there is a propensity for certain categories of people not to vote because it is more difficult for them to do so. Examples include the one in five people in Britain who is functionally illiterate and finds it very difficult to fill in forms. And what about people who do not speak English very well?

We are about to move to the next stage, which is individual registration as opposed to household registration, and that will have a dramatic impact, particularly on ethnic communities, where there may be a lead member of the household who is the only person in the household who can speak English; in such cases, we may start off with five votes and get one. Some people might say, "It's their fault; they should learn English," and all the rest of it, but our law is that an eligible voter is an eligible voter, whether they are educated or not.

Through the amendment, I am saying that the boundaries should be drawn on the basis of eligible voters. Parallel to that, we want more registration, because the people who can vote are those who are registered. The point is that Parliament should represent the people. Poorer people should not be less well represented because they do not register as a result of failures in the education system, or for a host of other reasons.

John Mann: My hon. Friend is making a compelling case. Of course, in coalfield communities, in particular, significant numbers left school aged 15 without the school being the slightest bit bothered whether they could read or write. The problem is exacerbated among those who are elderly and have, for example, eyesight problems. Among those with low literacy and eyesight problems, registration is therefore below the norm. Does he also agree that certain categories of people are over-registered? Students, for example, can be registered in two places—once by their parents and once by a university authority. That will mean that on 1 December 2010 they will therefore bias the system even more against former coalfield communities.

Geraint Davies: My hon. Friend makes a compelling point. In many cases, the individual who has not been educated has been born and brought up in a cultural system that might not encourage that, and that might not be their fault. There is obviously individual responsibility to get educated but, in terms of the bias, it is clearly the case that the more money people have, the more educated they and their children tend to be, and the more likely they are to be registered. If we consider the system overall, we have clearly moved to a system—*[Interruption.]*

Oh, the right hon. Member for Haltemprice and Howden (Mr Davis) is crossing the Floor on the basis of my argument. That is good to see.

Susan Elan Jones (Clwyd South) (Lab): On the point about individual responsibility, does my hon. Friend agree that there is an individual responsibility on all hon. Members to ensure that every eligible adult gets on to the electoral register and that we have a particular moral responsibility when we consider that somebody might be disadvantaged in any way? That very much equates to individual responsibility in this case and it is shameful that the hon. Member for Epping Forest (Mrs Laing) does not seem to recognise that.

Geraint Davies: I certainly think that more resources need to be put in. More people need to be registered and to participate in the vote, but it remains the case that as we stand—as has been pointed out, not many resources have been put into this—there is a systematic bias against poorer areas in terms of the number of eligible voters being reflected in the number of registered voters. If we are going to make this massive change based on a numerical system of one size fits all, that numerical system needs to be rooted in the best estimate of eligible voters, not in the number of people who happen to have registered. As we go downstream with individual registration, my fear is that things will get worse and worse as groups of people who are not very literate and so on fall off the register because they are not being registered as a household. That will produce more and more of a bias.

Mrs Laing: The hon. Gentleman is being extremely gallant in giving way, because I have to answer the point made by the hon. Member for Clwyd South (Susan Elan Jones), who is sitting on the Bench almost beside him and has just accused me of saying something shameful. She is completely wrong and she took my words completely out of context, which is not normal parliamentary behaviour. I agree with every word that she said about individual responsibility resting also on Members of this House to ensure that people are registered. Of course we must, and it is wrong of her to call me shameful.

Geraint Davies: That was a strange intervention on my speech. The case that one would want to make is that we have an individual responsibility to register, but that we have to be cognisant of the fact that there is a bias in the rate of registration among different groups. With this amendment, which I would like to press to a vote tomorrow—if that is when we have the vote—I am calling for fairness in that sense.

I should declare an interest. My father, David Thomas Morgan Davies, was the secretary of the Boundary Commission for Wales between 1973 and 1984, so I have a particular interest in this area. Historically, it was always the case that the start point for drawing boundaries was equality in size and populations of constituency, adjusted for community and natural geography—rivers, seas and so on—and the needs of effective democracy. That is why we are where we are in Wales, for example, which stands, as has been pointed out, to lose a quarter of its elected representatives—the number will go from 40 down to 30. The real fear, as well as the points that I have made about the proportion of people from mining communities and other communities that are under-registered, is that we will lose out numerically and that communities will be merged—one valley with another, and with no geographical relationship between them—or that people will have to be in a constituency with a mountain in the way. In terms of effective democracy—devolution was mentioned—an Assembly boundary might be coincident with a parliamentary boundary, so that people can come to see me to talk about benefits and see the Assembly representative to talk about the health service. Now the boundaries will all be changed and then, every five years, changed again. The issue is one of effective democracy. How does the citizen know who represents them and which institution has a clear mechanism for doing so? These things have evolved into place over time and there is a risk that by superimposing a one-size-fits-all system based on the wrong calculus—namely, registered voters as opposed to eligible voters—we will end up with a much less effective democracy.

9 pm

Owen Smith: My hon. Friend mentions devolution. Does he agree that the Bill being railroaded through to try to fix the result of the next election has another unintended consequence—on devolution? The Bill makes a radical change in Wales that will shift the balance between Westminster and the Assembly. It will be the biggest change since devolution was introduced, with a quarter of Welsh MPs losing their seats, and will therefore mean a radical diminution in both the scrutiny of Welsh-related legislation in the House and, potentially, a reduction in the quality of the Executive that hands over the block grant to Wales. It is a very important—

The Temporary Chair (Hugh Bayley): Order. I remind the hon. Gentleman that interventions are supposed to be quite short.

Geraint Davies: My hon. Friend makes a very interesting and important point. Wales is a nation of just 3 million people sitting alongside a larger nation that is 17 times its size. It is completely dependent on the financial stream from Westminster to fund the devolved Welsh Assembly. Historically, the relationship between the number of seats per head in Wales has been different from that in England because of the need to keep the Union together, in harmony, in a situation of great inequality between the two neighbours.

I fear that the haste with which this process is moving forward and the tremendous step change that it will make to the representation of Wales in Westminster—reducing the number of seats by a quarter from 40 to 30—will have such a dramatic effect on the people of Wales that they will be driven into the arms of the nationalists. There is a danger that we will fracture the United Kingdom. I am sure this could be part of a Conservative conspiracy, whereby some in the Conservative party think, "Well it is nice to have the Union, but these people in Wales keep on voting Labour, so wouldn't it be better to chop 'em down, cut their money and live with a world where we can guarantee continuous Tory government in England at the expense of an impoverished Wales that is split between Labour and the nationalists, who will then be thrown the right to raise their own taxes on a tax base that is a third poorer?" That is the sort of grand plan that seems to be emerging. It is very

[Geraint Davies]

concerning that the haste and nature of the changes we are considering are such that they will risk and provoke rips in the fabric of the United Kingdom. That is absolutely terrible.

Tristram Hunt: My hon. Friend makes a very persuasive case. Do the measures in the Bill not suggest that there is no real feel for the fabric of the United Kingdom from the Government and that the interrelationship between Wales, the Duchy of Cornwall, the Isle of Wight and many of the Scottish islands is not felt by them? Their desperate desire to ram the Bill through is incorrect.

Geraint Davies: Yes—

The Temporary Chair: Order. We are straying rather far from the point that we are supposed to be debating—the registration and under-registration of voters and the relevant group of amendments. Hon. Members should confine themselves to debating those matters.

Geraint Davies: Thank you very much, Mr. Bayley.

The amendment is about the relationship between the number of people registered and the number of people who are eligible to vote. If, in the comprehensive spending review tomorrow, there is a particular focus on poorer people and people in public service—in Wales, 24% are in public services and in England 20%; in Swansea, in fact, it is 38%—those people will suffer. People in public service tend to be poorer, and because they are poor, they tend to be under-registered. Those people who will face the real sharpness of the Conservative axe will the next day be denied the chance to vote against it because their constituencies will be smaller and because they are less likely to be registered—unless my amendment is agreed to ensure that people who are poor, and who are more likely to be unregistered, have an equal right to a share of a constituency, by virtue of being an eligible voter.

That is part of the mix of what seems, from the Welsh perspective at least, to be doing down Wales—attacking Wales financially, attacking Wales by reducing representation, attacking the poorest communities, attacking public services. In that political and economic context, what has understandably been seen locally as constitutional gerrymandering is in danger of ripping open the Union and having dramatic effects on our historical future. That may all be clinically predicted but it is very unfortunate.

As I pointed out, the 3.5 million or so unregistered voters are not evenly distributed. We heard from the Conservative Front Bench that, apparently, we are doing very well because in Britain, some 92% of people are registered. We are told that we should pat ourselves on the back and need not make any changes, but we know that registration is thoroughly disproportionately distributed, and in some areas it may be as low as 70%. To pre-empt the arguments against the amendment, we also know that the census comes around only once in a while. I am arguing that we should assemble a portfolio of data, including the census returns, registration figures and other data sources, to give our best estimate of the number of eligible over 18-year-olds in each area. That would be much more representative than the number of registered voters.

Dr William McCrea (South Antrim) (DUP): Does the hon. Member believe that the registration forms are too complex and need to be simplified to encourage more people, especially from poorer backgrounds, to register to vote?

Geraint Davies: Yes, I certainly do. Obviously there are issues about literacy—about being able to read—language, and style. We have all seen forms produced by bureaucracies that are long, complicated and intimidating when they need to be catchy. If one wanted to persuade someone to subscribe to Sky television, one would not use an electoral registration form. I do not mean that completely as a joke; it is true. To capture someone's attention, it is necessary to make them interested and make it easy, and ensure that there is a follow-up system; but electoral registration systems are not focused in that way. There are limited resources, and some people may say, "We have sent a form through. What more can we do?" A lot more could be done if we were serious. The worry is that people are not serious.

Mr Love: If we were to take the Government's intentions seriously, would they not be building on the Political Parties and Elections Act 2009 in strengthening the Electoral Commission and the work of electoral registration officers and giving more resources to ensure that we can take those constituencies with 73% registration up to at least the average for the whole country?

Geraint Davies: That is precisely right. The failure to provide the necessary resources and the fact that the deadline is the end of December show that the Government have no interest in doing that. Even with the best will in the world, which they do not have, there would still be substantial under-representation in various constituencies for the reasons that have been suggested—the forms are wrong, the language is difficult, and so on. As has been said, some people think they might get caught for the poll tax. They are still living in the past, when people fell off the register through fear.

The way to short-circuit those problems and move forward to a new mandate on a more equal basis must surely be to count the people who are eligible to vote, or to get the best estimate. That might not be perfect, but it would be a great deal better and fairer than the current system.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): My hon. Friend makes a persuasive case for his amendment. Does he agree that the Government have acknowledged part of his case with their announcement last month about data-sharing pilots? They acknowledged—the Minister nods—that there is an issue of other data sources being available to authorities. Might that be a way in which the proposal in my hon. Friend's amendment could be constructed—by using some of those other data registers to ensure a much more accurate list of adults living in an area, rather than moving rapidly to boundary changes, as proposed in the Bill?

Geraint Davies: That is right. The amendment proposes that the estimates should be put together by the Office for National Statistics. I hope it would use a range of data sources, and if the Government plan any initiatives to enrich the data, that would be welcome. If a sudden change is made to all the boundaries with a view to

changing the composition, possibly for the next general election, let us get it right. In order to do what my hon. Friend suggests, which I entirely agree with, the necessary time must be allowed.

I am a member of the Welsh Affairs Committee. We had the great joy of hearing expert witnesses from the Electoral Commission and the administrators, and from the Minister. What was fed back from the practitioners was that given the resource and the time available, it would be difficult to administrate the changes, in particular for the administrators of the election. The commission has been given an extra £1.9 million to drive ahead, although there are only 3 million people living in Wales. That is an enormous cost to railroad the provisions through. The administrators of the electoral areas thought the results would be chaotic. In terms of effective democracy, which is what we are about, as well as inherent fairness, the speed and nature of the change are wrong.

I will conclude now as I know that Members want to move on. In essence, I am arguing that a more sophisticated, accurate and fairer way of counting voters to provide the best estimate of the number of people eligible to vote is the best way to sustain credibility and confidence in our democracy in future. I urge hon. Members to support the amendment when it is put to the vote.

Andrew George (St Ives) (LD): It is a pleasure to follow the hon. Member for Swansea West (Geraint Davies), who covered all aspects of the potential interpretation of his amendment.

I give notice that I may seek to press amendment 70 to a Division. It achieves much the same as the hon. Gentleman seeks to achieve. The Bill proposes to put a straitjacket around the Boundary Commission in its interpretation of the role of divvying up the nation, or the nations, to deliver so-called equal seats, but the amendment takes into account the variability in registration around the country. It is a good idea to start from the fundamental premise that we are trying our utmost to achieve, if at all possible, a strong sense of equality throughout all seats in terms of their electorates. However, the 5 to 10% margin might create a straitjacket that does not allow as my amendment would, for the discretion to—

9.15 pm

The Temporary Chair: Order. This debate is about the question of registration or under-registration and the hon. Gentleman's amendment 70 focuses on that very directly. As we are taking amendments at this stage, he needs to confine his remarks to the question of registration or under-registration.

Andrew George: I am grateful to you, Mr Bayley, for your guidance. As you will notice, my amendment states:

"This rule is subject to an independent assessment of the Boundary Commission as to the potential electorate within any area where the Commission, having consulted—

the Electoral Commission,

(b) the Registration Officer of the local authority or authorities in that area,

(c) such other organisations and individuals whom the Boundary Commission may choose to consult".

I mentioned the margin of error in order to contrast it with the proposal in my amendment, which would give the Boundary Commission some discretion over how it interpreted the rule. In other words, the commission would be able to take into account the distinction between, as the amendment itself describes, the potential electorate, bearing in mind the variability of registration throughout the country, and the actual electors on the electoral roll. The amendment prises open the issue that several Members have already teased out in today's debate and, therefore, questions whether the 5% margin of error might in fact reflect a larger margin of error in the registration of electors in each constituency.

The Boundary Commission has not been given sufficient leeway to take account of that variability, and, as others have already pointed out, the Electoral Commission studied the issue earlier this year. It produced a report entitled, "The completeness and accuracy of electoral registers in Great Britain, March 2010", and I shall quote from the document's key findings. It states:

"national datasets and local case study research suggest there may be widening local and regional variations in registration levels. While there is no straightforward relationship between population density and the state of local registers, the lowest rates of completeness and accuracy were found in the…most densely populated…areas"

and among "the most mobile populations".

The report continues:

"Recent social, economic and political changes appear to have resulted in a declining motivation to register",

and it goes on to state:

"Under-registration and inaccuracy are closely associated with the social groups most likely to move home."

Across the case study areas, it found, as the hon. Member for Rhondda (Chris Bryant) said earlier, that

"under-registration is notably higher than average among 17-24 year olds (56% not registered), private sector tenants (49%) and black and minority ethnic British residents (31%)."

It also found that during the year the rate of completeness is likely to decline by about 10 percentage points.

Chris Ruane (Vale of Clwyd) (Lab): I thank the hon. Gentleman for that list of people who are under-represented or not registered. Does he agree that the categories he has outlined, although unregistered, often form the majority of an MP's caseload, and that that huge impact on their workload should be recognised by the Boundary Commission?

Andrew George: I entirely agree with the hon. Gentleman. I argue further that any Member of Parliament who does their job properly should be seeking out those silent voices rather than waiting for them to come to them. MPs should recognise that people who are not registering are probably not articulating themselves in other ways, so they should be finding ways of ensuring that their needs are properly articulated.

Mark Tami: Some local authorities are clearly better than others at raising registration levels. Does the hon. Gentleman agree that we should learn from those that are achieving much higher levels of registration? Some have improved from quite low levels, whereas others are more interested in doing the absolute minimum just to say, "Well, we have done what we are required to do."

Andrew George: I agree. It may be a function of a change of staff or of the resources of the local authority and how it goes about its task. Inevitably, in different parts of the country, the situation will ebb and flow over time. One cannot necessarily say that a place with high levels of registration will always have them—there may well be variations.

Chris Ruane *rose—*

Andrew George: I will gave way one more time, but I want to bring my remarks to a close.

Chris Ruane: Speaking from experience, Gareth Evans, the electoral registration officer in Denbighshire in my constituency, has taken the electorate up from 49,000 to 56,000—a huge percentage increase. That has been achieved partly by having a big, bold reminder in the middle of the registration form saying that not registering is an offence punishable by a £1,000 fine. At the end of the process, the chief executive sends out letters to those who are unregistered saying, "I am now turning this over to my legal department for you to be prosecuted." That ability to prosecute, which is a powerful tool in forcing people to register, is going to be removed by the hon. Gentleman's Front Benchers, as was outlined a few weeks ago. What does he think about that?

Andrew George: I would be straying beyond the limits of this debate if I discussed compulsion in registration, but it could perhaps be debated in relation to other parts of the Bill.

As well as the groups in the community that the independent Electoral Commission found were under-represented, my hon. Friend the Member for North Cornwall (Dan Rogerson) and I, and many other hon. Members—the hon. Member for Bassetlaw (John Mann) referred to this—represent parts of the country where there are large numbers of second homes. Those part-time residents often like to ensure that they are on the electoral register. Given the relative weight of the significance and marginality of the two, or possibly three or more, seats in which they have their votes, one suspects that in some cases—of course, this should not happen—they might decide where they might most effectively cast that vote, if indeed they cast it only once. There are questions about whether they should register to vote in the first place, which of course they are entitled to do for local authority elections. Strictly speaking, they should not cast a vote in the general election because they are not in their primary residence.

Dan Rogerson: My hon. Friend has a long record of pointing out anomalies with regard to second homes, and he knows that I had a meeting about that last week with the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper), who is not in his place. It is felt keenly in my constituency by people who stood in local authority elections—independents as well as party members—that second home ownership in an area can be influential in determining results. If someone is not normally resident in a place, they should not be on the register there. The problem is that local authority officers may not have had the point reinforced to them that they have the power to prevent people from getting on the register if they cannot prove that they are normally resident in the area. It is not about whether they own a property there.

Andrew George: I am grateful to my hon. Friend for clarifying that point of electoral law, which needs to be emphasised. Points have been made about registration levels—the hon. Member for South Derbyshire (Heather Wheeler) said that registration levels of 98 or 99% had been achieved in her area. In fact, in constituencies such as mine it is potentially possible to achieve registration levels over 100%.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): Does the hon. Gentleman regard the student vote in the same way?

Andrew George: It is an important case in point. As I understand it, students can register in more than one location and decide where their primary residence is for the purpose of electoral registration and casting their vote. Most university students go to their parental home, for example, when they are not at university, and they spend about half the year in each place. The point therefore becomes moot.

John Mann: The vast majority of first-year students are registered where they were living with their parents, and if they are living in a hall of residence they are simultaneously registered by the university authority, often without their knowledge. They are entitled to vote in either place, but is not the salient point in regard to this Bill that they count twice in determining the size of the electorate? That will create another artificial and arbitrary division based on the date of 1 December.

Andrew George: The hon. Gentleman has placed his point on the record, and I wish to move on.

My primary point is that the margin of error in the registration level is significantly greater in certain areas. Registration can be as low as 80%, but I would argue that in some areas, perhaps those with high numbers of students or second homes, it could potentially be more than 100%. With such margins of error, the straitjacket of a 5% margin of error in the Bill is inappropriate.

Mr Love: Will the hon. Gentleman give way?

Andrew George: I will not any more.

The Boundary Commission should be given discretion over the matter, because the Bill as currently drafted would unquestionably result in young, vulnerable and minority ethnic communities being under-represented and second home owners and students being over-represented. We all want equality, but we want it interpreted reasonably.

Graham Stringer: The hon. Member for Leeds North West (Greg Mulholland) made some general, profound comments on the threat behind the Bill to the effect that it will destroy the accountability link between hon. Members and their electorate by ensuring that Members never stand again for the same constituency. If he presses his amendment to a Division, I will happily join him in the Lobby. The electorate has an absolute right to vote to support a Member of Parliament who has done a good job, just as it has the absolute right to throw a rascal out.

Greg Mulholland: I thank the hon. Gentleman for his comments. Does he think I should seek to divide the Committee on amendment 342, which would mean a report every 10 years, or amendment 341, which would delay the changes until after the election?

Graham Stringer: I would be happy to vote for amendments 341 and 342. Although the mechanisms would be different, the proposals would have an essentially similar affect on accountability.

9.30 pm

Mr Dodds: Does the hon. Gentleman accept that there would be support from the Democratic Unionist party and, I am sure, from other parties, if the hon. Member for Leeds North West (Greg Mulholland) were to press those amendments to a Division? As he said, there is a lack of consensus or cross-party support for those fundamental changes to parliamentary democracy.

Graham Stringer: The right hon. Gentleman makes his point well and I am sure the hon. Member for Leeds North West (Greg Mulholland) heard him.

I shall speak to amendment 38, which is in my name. With permission, Mr Bayley, I should also like to press it to a Division. Other than what I said on amendments 341 and 342, arguments about the number of people on the electoral register lie behind this debate. One argument that was touched on earlier is bogus, and it should be discounted: namely, that the number of electors that it takes to elect a Member from one political party is different from the number it takes to elect a Member for another party. That is irrelevant to this debate. Turnout, the number of candidates and the distribution of electors also affect the number of people it takes to elect a Member for a political party. If people want a kind of representation that means that it takes exactly the same number of people to elect each MP, the answer is PR. I am against that and in favour of first past the post. However, that is nothing to do with the clause.

The second point at the heart of clause 8 is that constituencies should be based on an equal number of registered electors. That is a reasonable starting point, but there are two exceptions—one is relevant to this clause and the other will be debated later. If people are to represent constituencies, geographical features, boundaries and real communities should be significant considerations, as well as absolute numbers. However, how can the Committee say that absolute numbers is the overwhelmingly relevant consideration and accept that change to the system when 3.5 million people are not on the electoral register?

In amendment 38, I am seeking, in a different way from the hon. Member for St Ives (Andrew George), to address voter registration. He is trying to get the Boundary Commission to assess the difference between those who are registered and those who are not. The point of my amendment is to get the Electoral Commission, which is the more appropriate body, to try to satisfy this House and the other place that enough changes and processes have taken place to ensure that as many people as practically possible are registered. Once that has been done, but not before, the figures can be taken into account when considering boundaries.

Chris Ruane: My hon. Friend says that 3.5 million people are missing from the register, but the Government announced the other week that they will introduce individual registration and remove some of the measures that could help us to increase registration. When individual registration was introduced in Northern Ireland, there was a 10% drop in registration. If it is introduced on the mainland, that could mean 4.5 million people fewer on the register, so that 8 million people—including the most vulnerable in society—could be missing from the register. Does my hon. Friend agree that that constitutes a very little English coup?

Graham Stringer: I would not use the word "coup", but I would use the word "gerrymandering". In fact, a double gerrymander lies at the heart of this Bill. I would like the Electoral Commission to look at the issue of registration and report to both Houses, because there are sins of commission and sins of omission involved in why the electoral register is not complete. It has already been said that some electoral registration officers are more effective and efficient than others, and that is true. I represent areas of Manchester and Salford, and the electoral registration and returning officers there are doing a good job. They have done three canvasses and use what data they may legally access to ensure that electoral registration is as complete as possible. But that is not the case in several constituencies.

Geraint Davies: My hon. Friend may be interested to note that the hon. Member for Bermondsey and Old Southwark (Simon Hughes) is now in his place. In his constituency, the register contains 77,628 people, so it is on target, but the population of those over 18 and eligible to vote is 101,000. In other words, 26,000 people will not be counted, and that is wrong. However, Members on the other side of the House, including the hon. Gentleman, will sleepwalk into this ridiculously unfair system.

Graham Stringer: My hon. Friend makes a good point about the numbers—

Stephen Pound (Ealing North) (Lab) *rose*—

Simon Hughes (Bermondsey and Old Southwark) (LD) *rose*—

Graham Stringer: Unfortunately, I think that my hon. Friend may have encouraged the hon. Member for Bermondsey and Old Southwark (Simon Hughes) to attempt to intervene. I give way to my hon. Friend the Member for Ealing North (Stephen Pound).

Stephen Pound: I think that the House is at one with my hon. Friend on that particular point.

Like me, my hon. Friend represents an urban constituency. I have three surgeries a week and more than 50% of those who attend are not on the electoral register because they are homeless, asylum seekers or simply incapable of being allowed to register. Does my hon. Friend agree that were we to proceed—as I sincerely hope we will not—with this crude numerically simplistic stitch-up we would be ignoring the reality of life in urban constituencies?

Graham Stringer: I agree with my hon. Friend and I have similar experiences in Blackley and Broughton.

Jacob Rees-Mogg (North East Somerset) (Con): I am puzzled that the hon. Gentleman agrees with the suggestion that a Member of Parliament who knows that 50% of those attending his surgeries are not registered does nothing about it. Why does he not point out to the people who attend his surgeries but fail to be on the register that they are breaking the law? If the issue is as simple as that, something can be done about it.

Graham Stringer: As far as I can see, the hon. Gentleman has not been in the Chamber for most of the debate. I ask him to listen carefully to this and the next part of my speech. There are reasons why some people are not on the electoral register, but I can assure him that I check whether people live in the constituency and/or are on the electoral register, and if they are not, I try to persuade them to get on to it.

I was coming to the reasons some people are off the electoral register. It is not just a result of how well the registration officer does his job. Among poorer people, the number of people on the electoral register in Manchester declined by about 15% when the poll tax was brought in, because it was the single easiest way of avoiding tax. It has been 20 years since the poll tax was introduced, but the position has never recovered. I could take hon. Members to an estate in my constituency where nearly 60% of people on the electoral register are women. That is not because the estate is not roughly 50:50, but because the men living there do not register so as to get 25% off their council tax. It will take time to address that situation of people avoiding both tax and being on the electoral register. It is not an easy problem, but it should be dealt with.

Mrs Laing: If somebody lives in a house and is partaking of the services provided by the local authority, and it is known that they live in that house, and they do not register in order not to pay tax, they are not avoiding tax—they are evading tax. Is the hon. Gentleman saying that it is up to someone else to register them to vote?

Graham Stringer: I agree. The accurate word is "evading" not "avoiding". I stand corrected. If people are evading tax, and therefore breaking the law, one cannot expect them to change. It is up to those bodies that enforce the law to enforce it. I am happy to clarify that position. Getting the electoral register to represent everyone who is entitled to vote is not a simple process. However, I am sure that hon. Members believe, as I do, that people should be registered and should comply with the law on being registered.

Mr Stewart Jackson (Peterborough) (Con): I thank the hon. Gentleman for giving way with his customary generosity, but he fails to recognise that there has to be a definitive basis for registering those qualified to vote in an election and for distinguishing between them and others who live in the area and are served by a Member of Parliament. He might inadvertently be leading the House in that direction. In my constituency, there are 70,000 electors, but nearly 78,000 residents—the rest are mainly EU migrants. As a constituency Member of Parliament, I will serve those people, but there is a distinction between them and those who are duly, properly and legally entitled to vote for me at an election. He is not making that distinction clear to the Committee.

Graham Stringer: I have not come to that point yet, but there is an overlap. Some recent immigrants are Commonwealth citizens and entitled to vote in general elections. It is a complicated matter. The hon. Gentleman makes a fair point, but there is some overlap between people who are entitled to vote and people who are part of the recent immigrant community.

Another large area where there is under-representation and, probably, unlawful activity associated with it relates to houses in multiple occupation and private landlords. For different reasons—sometimes voting abuse, sometimes to conceal the number of people living in houses of multiple occupation—landlords prevent their tenants from voting or hinder their attempts to do so.

The hon. Gentleman previously mentioned recent immigrants. Registration is low among those in black and ethnic minority groups for a number of reasons. Sometimes it is because they do not understand the system or are frightened of it, and sometimes, as was mentioned previously in the case of poorer sections of the community, it is because the levels of functional illiteracy are higher than one would want. That means that many of the forms end up in the bin, because they cannot be understood. There are different estimates, but generally in this House—and not just on the issue of electoral registration—we ignore the fact that probably about 22.5% of the adult population in this country are functionally illiterate and find it difficult to deal with forms.

9.45 pm

Those are the main reasons there are real practical difficulties—there are probably more difficulties than I have mentioned, as well as those to do with the efficiency of the electoral registration officers—and why 3.5 million people are currently not on the electoral register. I do not think that we can move to a more balanced system between the different constituencies—one based on the number of electors—until we ensure that registration is much more accurate than it currently is.

Gavin Barwell: The group of amendments that the Committee is being asked to consider poses the Government three questions: what is the rush, why have a review every five years, and do we not need to address the issue of under-registration? I want briefly to address those three questions.

Before I do so, however, I want to make a point about partisanship. It is important to reflect the fact that any discussion about the boundaries of our constituencies is bound to have partisan considerations, and it is much better that we should acknowledge that up front, rather than trying to pretend otherwise. I believe that the current boundaries are unfair, for reasons that I will come to. They are unfair to the Conservative party, but I also believe that they are unfair to my constituents—the people of Croydon, who are under-represented in this House. However, to make the point that this issue is about political balance, I should make the related point that the local authority ward boundaries in my borough are also unfair, but they are unfair the other way round.

The Temporary Chair (Hugh Bayley): Order. I must encourage the hon. Gentleman to get on to the question of registration and under-registration. He has made his opening remarks, and he should now address the questions raised by the amendment.

Gavin Barwell: I take your point, Mr Bayley, but some of the amendments in the group are also about the need for speed and whether the proposals in the Bill should take effect by October 2013. The point that I was trying to make in an earlier intervention is that the

average size of Labour seats is significantly smaller than those of Conservative Members. That is an unfairness and it is important to correct it, but I shall take your advice and come on to the issue of registration.

Chris Ruane: Will the hon. Gentleman give way?

Gavin Barwell: I am nervous about being drawn back into what I have just been told to move off, but I will give way briefly.

Chris Ruane: Is the hon. Gentleman aware that the information I have received from research by the Library shows that of the top 100 seats with the most number of unregistered people, 96 are Labour seats? Should it not be borne in mind, when he is pointing out unfairness this way and that way, that those unregistered people are in Labour seats?

Chris Ruane: I think that that is a question about registration, so I can certainly address it. It has always been the case historically that, in deciding on constituency boundaries, we have looked at the number of people who are eligible to vote; that is, we have looked at electorates as the basis on which to draw the boundaries. Opposition Members have raised the issue of registration in this debate, with some amendments asking for a report on the issue and others going further, making the radical proposition that we should look at the number of adults who are eligible to register in a constituency when drawing up the boundaries.

That may well be a debate of principle that we need to have at some point, but it seems to me that the arguments of Opposition Members have varied and have been based on a number of different potential categories. We could look at electors, the number of people over 18 who are eligible to vote, or the total adult population over 18, but when the hon. Member for Swansea West (Geraint Davies) was quoting his figures earlier, I think he was actually quoting the figures for the adult population over 18. I do not know any data sets that can give an accurate figure for the number of people over 18 who are eligible to vote, which is an entirely different thing, because there will be many people who are not UK citizens—and who are therefore not eligible to vote—but who will appear on the census. Or we could go even further and look at the total population in each part of the country when drawing up boundaries.

My real concern is that the amendments before us suggest that we should draw up constituency boundaries based on a guess. They suggest that we look at the census data, but many Members—particularly those who represent urban constituencies—will be aware of the real problems relating to the accuracy of those data. The census is carried out only every 10 years, and there are often gross inaccuracies in the published figures, certainly for London.

Stephen Pound: I apologise for interrupting the hon. Gentleman, because he is making a coherent and cogent case. I must point out, however, that there are empirical data out there, and that we do not have to rely on guesswork. As any Member of Parliament will tell him, his or her constituency roll will show EU and Commonwealth citizens who can register but cannot vote for their Member of Parliament. Bizarrely, even though those people will surely come to their Member of Parliament for advice and assistance, they will not count when it comes to classifying the size of a parliamentary constituency. Surely that cannot be right.

Gavin Barwell: Well, there we go. The hon. Gentleman is suggesting, with his customary eloquence, that we go even further than the hon. Member for Swansea West did. I think he is arguing that we should use the whole over-18 adult population as the basis for deciding the boundaries. Indeed, in an earlier intervention, he said that he had a significant number of asylum seekers in his constituency who, although they were ineligible to vote, still gave rise to casework.

There are many different proposals for ways in which we can develop these figures. My point about the hon. Member for Swansea West's amendment is that we cannot come up with a definitive figure. We can start with the census and take into account the electorate, and we can then use other data sets to refine that information, but we cannot come up with an accurate figure.

My own view is that we should stick with the current basis, which looks at the published electorate, but that we should also take action to deal with under-representation, which affects certain parts of the country more than others. The hon. Member for Swansea West talked about poverty, and the hon. Member for St Ives (Andrew George), who has now left the Chamber, referred to work carried out by the Electoral Commission that showed that the transience of the population—the churn—was the key factor. There are certain groups within the population, including the black and minority ethnic community, young people and people who live in the private rented sector, that are much more likely to move frequently, and that is the main causal driver of this problem.

Mr Stewart Jackson: Does my hon. Friend agree that the difficulty in the past 15 or 20 years has been that the Boundary Commission has not been guided by Government regulations specifically to look at future population changes? That has been an important factor in making many, if not most, of the constituencies in this country out of date almost as soon as they are created.

Gavin Barwell: That cuts to the point of one of the amendments, which deals with the frequency with which we carry out the reviews. That is an important point, because if we had more regular reviews, they would be based on more recent data, and we would not see such dramatic changes. If we had a review every five years, we would not see significant changes in many of our constituencies.

Geraint Davies: Will the hon. Gentleman give way?

Gavin Barwell: I will give way once more to my predecessor.

Geraint Davies: The point I was trying to make, which I think has been misrepresented by the new hon. Member for Croydon Central, is that we should use the best data available on those people who are 18 and over and eligible to vote. I have accepted that we will not get

[Geraint Davies]

a perfect number, but I propose that we should do the best we can with the data sets available to get as accurate a picture as possible, and that that is the best basis for a fair democracy. That would be much fairer than simply relying on registration figures.

Gavin Barwell: I take that point, but my response would be that, rather than using figures that are guesstimates, we should use the actual electorate figures. We should also, however, take action across the country to replicate the work of the best local authorities to drive up representation.

Chris Ruane *rose—*

Stephen Twigg *rose—*

Gavin Barwell: I am going to conclude my speech now; I have taken a number of interventions, and I promised that I would not speak for too long.

We have just had a boundary review, for which many Opposition Members will have voted, that was based on electorate figures. None of these points about tackling under-representation were made when the orders were put through in the last Parliament to implement those boundary changes. Although the point is a good one, it was not applied previously.

In conclusion, the people of Croydon are significantly under-represented in this House, and I think we need urgent action to address that unfairness. We certainly need to take action to deal with under-registration, but the current boundaries are not fair, which is why it is important to take action quickly to put that right.

Austin Mitchell: I rise to speak—briefly, I hope—in support of amendment 127. I gather from my hon. Friend the Member for Rhondda (Chris Bryant) that we are going to press it to the vote. I also support amendment 341, which I hope the hon. Member for Leeds North West (Greg Mulholland) is going to put to the vote—he must. I support amendment 38, too, tabled by my hon. Friend the Member for Blackley and Broughton (Graham Stringer), which he is going to press to the vote.

All three amendments are an attempt to soften the rigours of the brutal redistribution proposed in clause 8. Indeed, it is a redistribution so brutal that it amounts to a gerrymander. The pretext is that the unequal seats work against the Tory party. We have heard that argument put at length by the hon. Member for Croydon Central (Gavin Barwell). It is true that the inequality in seats helps the Labour party and works against the Tory party, to which I would reply, in the classic words of Demosthenes, "Ah, diddums. What a great shame"! Various factors are relevant, including turnout, people taken off the register, which happens all the time—*[Interruption.]* Ah diddums, rural seats and so forth. Another factor, which has not been dealt with in the debate so far, is that the population moves.

There was a similar bias in the 1950s, but then it favoured the Tory party because of rural seats and the rurality factor. I hope Members will remember—I certainly do; I am old enough to remember—that the Conservative party won power in 1951 and had a working majority, but Labour had secured over 500,000 votes more than the Conservatives. The system then worked in favour of the Conservatives, who at that time were not so adamant about the need for a redistribution and a massive upsetting of the whole system to make it fairer. Now they are adamant. That unfairness towards the Conservatives persisted until the 1960s. Now it has worked the other way because of the subsequent drift of large Labour majorities out to the suburbs, where the vote is more evenly distributed.

These amendments all provide an opportunity to modify the brutality of the redistribution that the Government propose, with Liberal support, to remedy this deficiency. Clause 8 is effectively creating what I would call a doomsday machine. It is rather like the monsters my grandchildren watch on television. They are called transformers—they are huge metal monsters that go out clumping all around the country. It is a kind of redistribution by Blitzkrieg! It is just like that when this has to be done so suddenly and in defiance of any community centre or local government boundaries.

Chris Ruane: Why does my hon. Friend think the Con-Dem alliance is in such haste?

Austin Mitchell: Well, it is quite simple. The alliance wants its redistribution completed before the election in 2015—it is going to determine the date in another piece of legislation—because it will favour the Conservative party. It hopes to reduce the number of Labour Members. We shall come later to the reduction in the size of the House, but it is another attempt in the same direction—intended to reduce the number of Labour Members and increase the number of Conservative Members. The alliance simply wants to give itself a doughty majority. AV is supposed to work for the Liberals and the redistribution is supposed to work for the Conservatives. That is the calculation behind it, which is why it has to be completed before the next election, so that it can hang on to power by gerrymandering the system in its favour.

This is going to be a redistribution by steamroller—not a reasonable redistribution in which we will have the power to put opposing points of view, to argue for a sense of community or a sense of locality or to put forward views about the crossing of county boundaries. We will not have a chance to put democratic and fair arguments to the redistribution committee in the way we have been accustomed to, and the way that has been institutionalised. The committee will simply plough on with its Blitzkrieg.

Mark Durkan (Foyle) (SDLP) *rose—*

Austin Mitchell: I was intending to plough on with my own Blitzkrieg, but I am happy to give way.

10 pm

Mark Durkan: I thank my hon. Friend for giving way following that mixed metaphor. I will take it no further.

Does my hon. Friend agree that what we have here is a formula according to which one imperative, and one imperative alone, will drive what boundary commissions do, and that what they do will not be subject to serious appeal or challenge for the purposes of those of us in the real world who must live with the outcome or

consequences? It will ignore the realities and demands of constituency service. It completely dismisses real-world considerations. We will be stuck with whatever the outcome is, and it will go from Parliament to Parliament as the Boundary Commission sees fit. Will this not constitute the IPSAfication of boundaries?

Austin Mitchell: Absolutely. My hon. Friend has put the case much more articulately and better than I could have, so I shall delete the next part of my speech, take it for granted and move on. This is not a redistribution; it is a Blitzkrieg—an unfair Blitzkrieg that is designed to work in the electoral interests of the Conservative party.

Interestingly, the amendments show that the Liberal Democrat part of the coalition is beginning to wake up to that fact. I understand that the hon. Member for Leeds North West intends to put his amendment to the vote. Perhaps he will nod to confirm that, because it will slow down the whole process and stop the Blitzkrieg.

Chris Bryant: The position is actually slightly worse than it was portrayed by our friend from the SDLP, the hon. Member for Foyle (Mark Durkan). In addition, the Minister will be able to lay the Order in Council on the basis of the Boundary Commission's report "with or without modifications". *[Interruption.]* I can hear the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper), saying that that is the present legislation, but the present legislation allows for proper public inquiries, and he is getting rid of public inquiries.

Austin Mitchell: My hon. Friend is absolutely right. The present system of redistribution was devised by the Conservatives. Now, finding themselves in electoral danger, they want to scrap it to protect themselves and remain in power in this tenuous coalition.

Mr Stewart Jackson: As ever, the hon. Gentleman is a comic turn. Does he agree, however, that he was not so voluble when in 1970—as he is old enough to remember—a Labour Government were the only Government in history to shelve significant boundary changes for party political reasons? He was probably also not as voluble at the time of the 2005 election, when the Conservative party out-polled the Labour party in England and Labour had many dozens more seats than the Conservatives. Was that fair, or was it gerrymandering?

Austin Mitchell: I am not sure whether the hon. Gentleman is trying to outdo my comic turn by putting me in the House of Commons well before I was actually here, but he is entitled to do that.

I am voluble now because of the threat to democracy that is implicit in this whole process. As one of my hon. Friends said earlier, that is what is waking up the Liberal Democrat part of the coalition. It is easy enough to organise a redistribution for 650 Members, but if there are only 600 pieces in the jigsaw, the implication is that every boundary in the country must be changed. That is what is waking up the Liberal Democrats, because they tend to win seats through intense community work and community politics involving cracked paving stones and late buses, and they must have a community to work to. That settled community will be disturbed by the redistribution, and the Liberal Democrats will lose seats. Their amendments suggest that they are now waking up to that fact.

It is a bit late in the day, but I can tell the Liberal Democrats that they will lose out. The AV part of the deal, which was supposed to benefit the Liberal Democrats while the redistribution was supposed to benefit the Conservatives, will not be carried, because it will be defeated in the referendum. Then the Liberal Democrats will ask themselves, "What have we got out of this coalition? We have abandoned all our faiths, we have sacrificed everything we believe in, we have allowed massive cuts to the detriment of British society—and what have we got out of it?" The answer will be "Peanuts. Nothing." Their only resort, if they are to prevent themselves from being thrown out in the election following the redistribution, will be to throw out the Government and stop the redistribution.

I estimate that the Liberal Democrats will belatedly begin to wake up to that fact in about 2013 or 2014, and then they will become a disruptive factor within the coalition. I am trying to prevent them from ending up in that situation—*[Interruption.]* No, my heart bleeds for them. I am very sympathetic because it is tragic watching them betray their principles one by one in order to cling on to power and to get bums into ministerial cars and on to ministerial Benches—but if that is what they want to do, let them. I am trying to help them by persuading them to vote for amendments 127, 341 and 38. *[Interruption.]* No, I am a decent man. I would have voted Liberal in 1951, except that I did not have a vote because I was too young, but I wore a Liberal rosette on my meat round. That is the full history of my association with the Liberals—it ended in 1956 with the invasion of Suez—and now I am trying to protect them.

In conclusion, we should support these amendments in order to prevent the brutality of a process that would be damaging to British democracy and the community and that would create an unsettled situation for Members of Parliament. I spent many years in New Zealand, and we had much more regular redistributions when I was there—every five years, I think. That was before proportional representation came in. The seats could be made much more equal, but as a result of the changes no Member of Parliament knew five years ahead whether he would be representing the same area, or whether some bits would be shipped out and others would be shipped in because of boundary changes, and therefore the seat he would be representing would be totally changed. I want to prevent that situation from happening here. We represent settled communities that have clear boundaries, and we should not disrupt them in this fashion just for the electoral purposes of the Conservative party.

Mrs Laing: The hon. Member for Great Grimsby (Austin Mitchell) has just given the game away. He has at last revealed what this part of the debate is really about: the convenience of Members of Parliament, and the desire to make sure that they are not unsettled. This House should not be making laws for the convenience of Members of Parliament, however; we should be making laws for the good of the people of the United Kingdom. The hon. Gentleman has made many good points during the debate, and he has just made an excellent speech, albeit from his point of view—I disagree

[Mrs Laing]

with him of course, but he always makes excellent speeches—but I am glad that he gave the game away at the end of his contribution.

While sitting through this lengthy debate, I have been wondering why so many Members have made illogical and inconsequential speeches. That is unusual for Members of this House—*[Interruption]*—especially those such as the hon. Member for Vale of Clwyd (Chris Ruane), who is laughing, and who has engaged in many debates on these subjects over many years. Why is nobody talking about individual voter registration, even though it is an integral part of improving the registration process?

Chris Ruane: I have just mentioned individual registration. We all know what it is about: it is about driving a further 4.5 million people off the register to join the other 3.5 million, in order to keep the Conservatives in office for another generation.

Mrs Laing: It is not; on the contrary, in fact. The last Government, with the support of the then Conservative Opposition, introduced individual voter registration and this Government have speeded up the process.

I am not going to take up much of the Committee's time as we have heard many speeches on these subjects tonight and I have had the good fortune of being able to make many interventions in other Members' contributions. In counting the number of people who are represented by each Member of Parliament we should count on the basis of democracy and the workings of democracy, not on the basis of social work. *[Interruption.]* Well, we all have several roles as Members of Parliament, and one of our roles is the pastoral one of looking after the people who live in our constituencies regardless of whether they are registered to vote, of their nationality, and of where they live. We are all decent Members of Parliament, and if someone comes to us with a problem, it will be dealt with—or it certainly would be in my constituency surgeries. I am sure that that is the case for almost everybody here. I see assent from Labour Members. However, we must separate those two roles, and that is integral to the point that we are discussing.

The hon. Member for Ealing North (Stephen Pound) may have thousands of people in his constituency who are not voters—who are either not eligible or not registered to vote. He therefore possibly has more casework, but that can be dealt with by giving him greater resources to deal with it. The issue should not be dealt with by distorting the democratic process and the way in which the Chamber works.

Chris Bryant: The hon. Lady knows that I respect her views in many regards, but I would find it phenomenally difficult to differentiate the two elements of our role—on the one hand, the representative function of a Member of Parliament in representing all the voters in their constituency, and, on the other hand, their casework. Many, if not all, of the issues that I have taken up in this House have come to me from my casework—apart, perhaps, from the issue of the Bill that we are discussing tonight. I urge her not to stray too far down the route of trying to separate out the two concepts.

Mrs Laing: I am sure that the hon. Gentleman has brought before the House many matters that have arisen from people who come to his constituency surgeries, but he also has a role in raising points of principle on the subject of politics, the constitution and so on—I have seen him do so over many years—that are nothing to do with the casework that comes to him. I therefore do not accept his point.

Stephen Pound: I thank the hon. Lady for nobly offering, in a way that is typical of her, to support my special pleading to the Independent Parliamentary Standards Authority for additional staff. Together, we will be unbeatable. May I also apologise for perhaps inadvertently misleading the Committee earlier when I referred to Commonwealth citizens not having the right to vote? They do, of course, have that right. I am sure that the hon. Lady will have immediately spotted that I was referring to European economic area citizens, in the context of increased casework with no chance of a vote at the end of it.

Mrs Laing: Of course the hon. Gentleman is right. First, I do support his special pleading to IPSA. Secondly, I am glad to have given him the opportunity to put the record straight on the EEA; we are all better educated for that.

Our duty is not to try to amend the Bill to make life easier for Members of Parliament. What matters is not our certainty about where the boundaries of our constituencies will be drawn, but how the democratic process works. I have thought to myself, "Why have there been so many illogical arguments this evening?" I realise, of course, that it is because of special pleading.

Tristram Hunt: Does the hon. Lady recall, as I do, the evidence that we received on the Political and Constitutional Reform Committee, which suggested that where there were arbitrary and dramatic changes in boundaries, an absence of democracy often followed, as local party activists and local electors began to lose influence and interest in the local democratic process?

Mrs Laing: I recall the point being raised in the Select Committee, but I am afraid that I disagree with the hon. Gentleman on that point. The fact is—

Mr Clive Betts (Sheffield South East) (Lab): Will the hon. Lady give way?

Mrs Laing: No. The hon. Gentleman has not been in Committee all evening, and it is time that we got on; this debate has taken too long. I would simply say that the reason why Opposition Members are arguing as they are is that they cannot in all honesty stand up in this House and say that the principle of equalising the size of constituencies is wrong. They are therefore manufacturing arguments against this Bill to try to stop this part of it. They are quite simply trying to avoid being turkeys voting for Christmas. They know that, and the hon. Member for Great Grimsby gave this away when he said that this is about certainty and uncertainty for Members of Parliament. The fact is that the only principle that should matter in considering this part of the Bill is the working of democracy. If Opposition Members do not have the courage to put their constituents and the people of the United Kingdom first and themselves

second, they do not deserve to be Members of Parliament. It is the principle of equality that matters and that is what we must vote for.

10.15 pm

Paul Blomfield (Sheffield Central) (Lab): If this Bill passes, we will make the most significant reduction in parliamentary representation since 1922. If we are to make such a fundamental change, we need carefully to examine the basis on which we do it. There needs to be a proper assessment of constituency size, which the electoral register will not provide. In particular, any electoral register from December of any one year will not provide it.

My hon. Friend the Member for Swansea West (Geraint Davies) said earlier that we know that there are particular groups of voters who are under-represented—young people, students, those living in houses in multiple occupation, those in black and minority ethnic communities and those in social housing. In a constituency such as mine, all those groups combine and are linked to a very high level of turnover to create significant under-representation and under-registration. In just one of my wards, 23% of households have no one registered. In another, the figure is 19% and in another it is 16%. Across the constituency, the average is 15.5%. Many of those who are not registered to vote are those who face the problems that translate into higher levels of casework for me and for my office.

Registration in the constituency contrasts sharply with the neighbouring constituency, Sheffield Hallam, which is represented by the Deputy Prime Minister. It was a traditional Conservative seat until 1997 and some might say it is again. With the demographic profile of Sheffield Hallam and the stability of the population in that constituency, there are very high levels of registration. The number of unregistered households averages just 4%.

Roger Williams (Brecon and Radnorshire) (LD) *rose—*

Pete Wishart: I am very grateful to the hon. Gentleman for giving way. Given the depressing statistics that he has related to the Committee this evening—*[Interruption.]* Sorry for the confusion, Mr Hoyle. Given the depressing outlook of the figures that he has given about voter registration, can he explain what the previous Labour Government did to try to improve the situation?

Paul Blomfield: The previous Labour Government did a great deal. Much of the responsibility for execution, of course, lies with the city council, which is run by the Liberal Democrats and it characterised itself by turning voters away from the polling station.

Chris Ruane: Talking of Liberal Democrat councils, is my hon. Friend aware of the previous Liberal leader of Islington council, who, when the Labour group asked for a registration drive before the election, said, "No, we're not having that. That's how we win elections"?

Paul Blomfield: I was not aware of that. I am grateful to have been informed and I am not at all surprised. As I said, in Sheffield Hallam, where there is only 4% under-registration, we begin to see the real nature of what lies behind the Bill.

I must disagree with the hon. Member for Epping Forest (Mrs Laing)—this is not just about those who are eligible to vote. Significant numbers of people who are not eligible to vote still need the support of their Member of Parliament. That should be taken account of when determining constituency size because we are there to provide a voice for all those in our constituency.

Mark Tami: Does my hon. Friend agree that even when one or two people in a household are on the register, one often finds during elections that there are four, five or six people in the house who are eligible to vote but not on the register?

Paul Blomfield: I accept that point entirely. On the calculation of unregistered households in my constituency, I estimate that there are about 25,000 people who are eligible to vote but who would not be counted into the constituency on the basis of a strict redefinition of boundaries by the electoral register. I think that we should—

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Take your hand out of your pocket when you address the Chamber.

Paul Blomfield: I apologise for any offence that I have caused the hon. Gentleman, but I think it would be more useful to focus on the issues under debate. In that context, I want to support amendment 125, which provides for the Boundary Commission to develop a much more accurate assessment of numbers, drawing on information from the Office for National Statistics. I would have preferred it if amendment 229 was also being considered, as that specifically covered census information and would have provided another excellent way of redrawing boundaries.

Gavin Williamson (South Staffordshire) (Con): We all accept that the information that comes from local authorities about the electoral roll is not always totally perfect, but people would not accuse others of gerrymandering as a result. If we started using information from many sources, there might be accusations of gerrymandering because of the use of that information.

Paul Blomfield: Amendment 125 takes the census as one source of information, but there are and have been fairly well-justified suggestions of gerrymandering based on the way in which the electoral register would be used were it applied in the December of any year.

Chris Ruane: On that point, electoral registration officers can calculate the eligible population in each ward in each of our constituencies. They have that information on databases such as the housing benefit and council tax databases, so it is available and could be produced to a high degree of accuracy.

Paul Blomfield: I accept that point and add that taking the electoral register in the December of any year in a constituency such as mine, with its turnover, would ensure that the numbers would be depressed. In the four months leading up to the general election, we added about 4,000 voters to the register in Sheffield Central. They were caught up in the excitement of the campaign that we were running, but those additions reflect the difficulty of using the December figure.

Henry Smith: Is not the answer to the problem better individual electoral registration rather than playing around with the size of constituency boundaries so that some constituencies have larger populations while others have smaller populations?

Paul Blomfield: Obviously, we would all like to see better electoral registration. The point is that we know there are significant groups within all our communities for whom it is difficult to achieve the levels of registration that we wish to see.

Mr Betts: My hon. Friend is making a good point; the information that he has given the Committee about the great disparity in registration levels between his constituency and Sheffield, Hallam is very stark. But if he looks at information that was given to a Select Committee hearing in the Parliament before last in the House, about initial returns to the registration officer from different parts of Sheffield, he will find that registrations from Manor, an inner-city part of his constituency, were only just over 50% at first instance, while in the Dore ward in Hallam they were over 95%. And if we use a December figure before the canvassing has really got going to get additional people on the register, those initial returns and the disparity between them will be even greater than the disparity between the registers as they now stand.

Paul Blomfield: I thank my hon. Friend for making that point, because it highlights the particular difficulty of using the December register. There can be only two reasons to use December as the point at which to measure registered electors: either because there is undue haste in trying to push through this process, or because there is a recognition that at that point those voters who some would wish to see disregarded will not be reflected within the register.

The Government would claim that the Bill is about new politics, but a failure to address these concerns will send a message to the public that this represents the very worst of old politics, putting party advantage before democracy and, as one Government Member said on Second Reading, putting decisions behind closed doors before transparency. If the Bill proceeds unamended, it will not only damage the Government but damage confidence in our democracy.

Simon Hughes: I wanted to make a couple of brief comments, even before I was provoked by the hon. Member for Swansea West (Geraint Davies). As it happens, I was inaccurately provoked, because he misread the table produced by the Library. I am one of the Members of Parliament whose constituency is in the top 10 of those where the proportion of the population registered to vote is smaller and the population is larger. The official figures in a House of Commons table show that Bermondsey and Old Southwark has a population of 122,510—we are No. 10 in the list—and an electorate of 77,628: almost the quota that is suggested across the country. The electorate make up 63.4% of the population according to the latest figures.

There are two explanations. One is that a lot of the differential is accounted for by people under 18; that applies across all our seats. The second is that there is a mixture of people—inner London has this in common with many places—who live there perfectly lawfully but are not entitled to vote. They are not UK citizens, they are not Irish citizens, they are not EU citizens and they are not Commonwealth citizens. We have a lot in my constituency; we are very proud to do so, and I serve them without discrimination, just as I would serve anyone on the electoral roll.

However, there is a problem of under-registration of those who should be on the electoral register, and I am never going to take any lessons from the Labour party because throughout the period of Labour Government the problem was exactly the same, and the legacy is that the Labour party left us with an under-registration of 3.5 million people.

Emily Thornberry (Islington South and Finsbury) (Lab): Will the hon. Gentleman give way?

Simon Hughes: I am going to be brief, because the debate is time-limited until 11 pm, but I will give way.

Emily Thornberry: Is the hon. Gentleman aware that in Islington we had the second-worst voter registration rate in the country when the Liberals were in charge of my local council, and when we, the Labour group, tried to pass a resolution to increase voter registration, the deputy leader of the council shouted across the council chamber, "Bu that's how we win elections"? The voter registration went up by 9,000 from 2005 to 2010, and my vote went up by 6,000.

Simon Hughes: If the hon. Lady had been present a few minutes ago, she would have heard that point made by one of her colleagues. I have heard it made before. [Hon. Members: "It is still true."] I am making the point that for Labour to be critical of the fact that 3.5 million people are not registered but should be registered is entirely unjustified, because for 13 years Labour were in government. They could and should have done much more.

Chris Ruane *rose*—

Simon Hughes: No, I am not going to get into a big debate. I address my comments to my ministerial friends, and they know what I am going to say next. There is a duty on Government to do much more to ensure that people who should be registered are registered. In my constituency there is a turnover of about a quarter of the electorate every year, so registration is difficult.

I want to make publicly the point that I have made privately to Ministers and to the Deputy Prime Minister. My first proposition is that one of the things that I want us to do—the deputy leader of the Labour party, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), made this point when she was in government—is to work across parties and to put our heads together to think of all the ways in which we can increase registration. I hope the new Labour leader, his Front-Bench colleagues and the deputy leader will work with the Government and all other parties to make sure we—

Chris Ruane: Will the hon. Gentleman give way?

Simon Hughes: No. The hon. Gentleman has intervened often.

Owen Smith: Will the hon. Gentleman give way?

Simon Hughes: No, not now.

We need to work across parties, with all parties, to ensure that in every constituency in Britain, whatever the number of constituencies, everybody who can possibly be registered is on the electoral register.

Mr Love: Can we start with the Bill?

Simon Hughes: Absolutely. I am keen that we do with registration this autumn.

I have a second proposition. The deputy leader of the Labour party argued—I put the argument to her and she made it publicly—that we should have a regular democracy day, democracy week or democracy month. Using Government resources, the Central Office of Information, and the publicity of Government and local councils, we should have a campaign that goes out to find people to register and does not do the traditional, routine, perfectly proper thing—knocking on doors, finding that people are not in and not tracking them down.

My suggestion is that this November we have a big effort led by the Deputy Prime Minister's Department and my right hon. and hon. Friends who are Ministers, using the radio and television and getting people out on the streets, outside the tube stations in London, outside the railway stations and the bus stations, outside the further education colleges throughout the country, and outside the supermarkets and at the shopping centres, so that rather than relying on people being found to be at home, there is a way in which people are encouraged to vote.

We need collectively to own a failure of a generation to ensure that people are registered to vote in the numbers that they should be. It is not a party political matter. It should not be regarded as a case for party banter and provocation. We all have a duty, because it is unacceptable that so many people are not on the voting list when they should be. I hope that the Government will come forward with positive proposals on a cross-party basis that will engage us this autumn—next month—to do something about that so that we on the Government Benches, at least, can be seen to be trying to remedy a problem which for 13 and a half years was not remedied by the Labour party.

10.30 pm

Joan Ruddock (Lewisham, Deptford) (Lab): The hon. Member for Epping Forest (Mrs Laing) spoke passionately and ended with words to the effect that this was all about equalising constituencies. There is no equalisation of constituencies. All our constituencies are different. The hon. Member for Bermondsey and Old Southwark (Simon Hughes) would agree with me, I think, that his constituents who identify with Bermondsey do not identify with Deptford, and vice versa.

Even in London, we have distinct communities. We have people who hang together as a community and as a society. That is extraordinarily valuable. I want to examine for a moment who the people are whom the hon. Lady seemed to set aside as though they had no worth because, she said, they are not part of our democracy. Those are real people living in our communities, contributing to our communities. This is not a one-way street. It is not that we are here and they come as supplicants to us, to ask for favours. They are people in their own right, who contribute to our communities even when they do not vote and may not be registered. They are human beings living as part of our communities. We have to think very seriously about being dismissive of a significant proportion of our population.

The hon. Member for St Ives (Andrew George) mentioned the Electoral Commission's study when the Chamber was far less full, so I shall repeat some of his points. The investigation found that

"under-registration is notably higher than average among 17-24 year olds (56% not registered), private sector tenants (49%) and black and minority ethnic British residents (31%)."

It found also:

"The highest concentrations of under-registration are most likely to be found in metropolitan areas"

and in areas where there are

"high levels of social deprivation."

That is a representation of my constituency, which is vibrant, alive and contributing, but where there is huge under-registration.

Let me look at those different categories and how they have come to be under-registered. There has been much talk of functional illiteracy being a factor in the lack of registration, but I remind the Committee that many people in my community are entirely literate in their own language. They contribute and work, but often they are not able to function very well in English, which is not their first language. None the less, our local authority, a Labour local authority, has made enormous efforts to register people, but I shall refer again to those categories of people and to why efforts fail.

Many of my constituents are poor people. Members have spoken a lot about poverty tonight, but if someone is poor in my constituency and has the chance to work, they work. People do not lie around and take benefits when they have the option to work; they work. They do two, three and, occasionally, four little jobs on low wages, and by doing all those jobs they pile up enough to live on. However, they are never at home, including when I call to canvass them or to see whether they have any needs that I can represent, and they are not there even when a proactive council such as mine sends people out at all times of the day in order to try to find people at home. There are people who never, ever come into contact with those who would try to help them to register.

Chris Ruane: Does my right hon. Friend think that one way around that problem is to employ local people who are trusted in such communities to do the electoral registration there?

Joan Ruddock: My hon. Friend makes a very good point and there have been attempts to undertake such work. My local authority has recruited well-known people in the community and efforts have been made at community events. We have many young people's events and an elected young mayor in Lewisham, and all of that contributes to helping people understand that they should be registered and should take the opportunity to vote.

Priti Patel (Witham) (Con): Will the right hon. Lady describe for the Committee the barriers to her local authority having been able to do more over the past 13 years to encourage greater electoral registration?

Joan Ruddock: There have been very good results in my local authority area. It removed from the register many names that were there inaccurately, because it wanted to be honest and direct and not keep names on the roll. It would have been in a better position, given the Government's attitude, if it had left all those names on, but its process was thorough, and through its efforts it has added many thousands of names to the register.

My own electorate was registered at 59,000 in 2005 and at 67,000 in 2010. Real efforts have been made, and I certainly applaud that. However, notwithstanding all

[Joan Ruddock]

the efforts, which do have results, there will always be people we cannot reach, and we must have regard to them.

Stephen Twigg: One barrier that many local authorities think they face is using other available data sets. Last month, the Government made a welcome announcement about data-sharing pilots. Does my right hon. Friend agree that those pilots should be carried out prior to the fundamental changes in the Bill?

Joan Ruddock: Absolutely. It is utterly hypocritical of Government Members to accuse the Labour Government of doing nothing, because local authorities put things into practice, and many have chosen not to. It is also completely unethical to propose a Bill of this nature knowing that millions are not registered and utterly refuse to do anything about registration prior to the Bill possibly becoming law.

Nick Boles (Grantham and Stamford) (Con): Would the right hon. Lady care to tell us when it would be possible to carry out a boundary review, or are we to have Labour seats being smaller than other seats for ever, given that we will never have a perfect electoral roll?

Joan Ruddock: The judgment that the hon. Gentleman makes in saying that Labour seats are smaller is based on numbers.

We challenge the Government to work with all of us—the hon. Member for Bermondsey and Old Southwark suggested how we might all work together—to increase levels of registration. If we did that, the Government would be in a much better position having made an honest effort to argue the case with us. In my view, even if we do the best that we can, there is still an issue that cannot be ignored.

Stephen Twigg: I think that there is a desire in all parts of the Committee to ensure maximum registration. Is my right hon. Friend aware that contrary to the point made by the hon. Member for Grantham and Stamford (Nick Boles), some of the largest registered electorates are in Labour-held constituencies?

Joan Ruddock: I thank my hon. Friend for that extremely important point, and I hope that it has been heard on the Government Benches.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): When the boundaries were drawn last time, how was under-registration taken into account by the Boundary Commission?

Joan Ruddock: That is a matter for the Boundary Commission; I was not party to its deliberations.

I was talking about people who are not able to be at home, people whose first language is not English, and people who live in houses in multiple occupation. Every one of us who has a constituency where there are houses in multiple occupation will have seen properties in which there is a sea of mailed documents and leaflets on the floor and nobody picks them up. There are major problems in reaching people in such places, particularly those who are living in bad housing conditions. In my constituency, regrettably, we have many thousands waiting for social housing.

Chris Ruane: In my constituency, the ward of Rhyl West is the poorest ward in the whole of Wales, which has 1,900 wards, and it has 900 houses in multiple occupation. Yet Gareth Evans, the electoral registration officer in Denbighshire, was able to take that ward's registration rate up from 2,400 to 3,600 electors by cross-referencing databases and door-knocking. Does my right hon. Friend think that that should be replicated across the country?

Joan Ruddock: Absolutely. My hon. Friend makes a most valuable point. I have already paid tribute to my local authority. That job can be done, but because of all the factors that I have mentioned, we will not succeed in registering 100% of people in constituencies such as mine that are affected by the problems identified by the Electoral Commission. That is partly because the population of such areas is so mobile, with perhaps 10% of people moving every year. It will never be possible to equalise constituencies such as Lewisham, Deptford and Epping Forest.

10.45 pm

Emily Thornberry: Is not the most important point, and the one to which coalition Members are not listening, that constituencies may well be much more equal than local registration figures show? In constituencies such as my right hon. Friend's and mine where there is very high churn, there are a large number of Europeans, and people who want to be on the register but cannot. A large number of people simply do not count, but they do exist and are a valuable part of our constituencies.

Joan Ruddock: I agree absolutely. I repeat that those are real people contributing to our communities and living among us, and we ought to value them. They may not be on the electoral register, but they certainly exist. The hon. Member for Epping Forest agreed that as Members of Parliament, we have to treat unregistered people equally with those who are registered if they come through our doors. That is a most important principle. We need to recognise their existence, value them and be willing to count them in as people who could be registered, even if they are not.

Roger Williams: Nobody would disagree with the right hon. Lady that we must make every effort to register everybody who is eligible, but does she not agree that there are two different issues to consider? One is that every Member of Parliament should be elected by an equal number of electors, and the other is that if one Member has to represent more people than others do, perhaps more resources should be made available to them. She is confusing two issues.

Joan Ruddock: I am not at all. I am talking about the equal worth of people who are eligible to be registered but are not, and those who are registered. That is the difference between our position and the Government's. They simply wish to take a number and say that every constituency must reach that number of electors, otherwise

it cannot exist. That is illogical and ludicrous, and worse still, they plan to do nothing to attempt to equalise the numbers, even on their own terms.

I conclude by repeating that as Members of Parliament we serve all our constituents and all our constituencies. I am sure that we all often say, "Well, frankly, if you're not voting, don't come complaining to me." But we are not suggesting that only voters count, are we? On the technical issue of registration, that is not good enough for me, and it should not be good enough for the majority of hon. Members.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): I am sure the whole Committee is delighted that we have now reached part 2 of the Bill, which is based on the very simple concept that votes across the country should have equal value, wherever someone is. The hon. Member for Rhondda (Chris Bryant) can provide a simple example of why that is important. His constituency, according to the records, has 51,706 electors. My constituency of Somerton and Frome has 81,566 electors. I have 30,000 more electors than him. Why should my electors' votes have less value than those of his electors? That is the question he needs to answer.

Chris Bryant: I have already made it absolutely clear in the debate that I believe that there should be greater equalisation of the constituencies. The Deputy Leader of the House says that there is one sole principle, so why, by his own analysis, is he creating two rotten boroughs in Scotland?

Mr Heath: If the hon. Gentleman accepts the principle that votes should be equalised, he disguised it well in his very long contribution. We had a wide debate on this group of amendments. At one point it looked like a clause stand part debate, and at another like a Bill stand part debate, given the amount of material we considered. Most Members were relatively continent, but then we had the hon. Gentleman. When I suggested that we have an extra hour for this debate this evening because of the earlier statement, I did not appreciate that it would be taken up almost entirely by him.

On previous groups of amendments, it seemed that the hon. Gentleman had not properly read the Bill, but on this group of amendments, it seemed that he had not read his own proposals. It is hard to avoid the conclusion that he was deliberately trying to avoid speaking to his amendments. Members listening to the debate might have assumed that his proposal was to slow down the process set out in the Bill. They might have thought that in amendment 127, to which he never referred, he was proposing to extend the period for the Boundary Commission to do its job, but no, that was not his proposition. If anyone cares to look at the amendment paper, they will see that amendment 127 suggests that far from the Boundary Commission doing its job in three years, as proposed in the Bill, it should do it in one year, which is entirely contrary to everything that he said in his contribution. He persuaded the hon. Member for Great Grimsby (Austin Mitchell), who is not in the Chamber, that he had a sensible suggestion, but he did not persuade me.

If hon. Members listened to the hon. Member for Rhondda, they might have assumed that it would be difficult for boundary commissions to do their job within the resources and time available, but they might not realise that each boundary commission gave evidence to the Select Committee on Political and Constitutional Reform and rebutted that suggestion in terms, saying that they had the resources and the capability, and that there was no problem whatever.

Owen Smith: I listened to the Boundary Commission's evidence to the Political and Constitutional Reform Committee. The Deputy Leader of the House is right that the commission said that it would be able to do its work within the time frame. Clearly, it felt able to say that only because it needs to pay attention only to the politics by numbers—the arithmetic formula this Government are imposing to gerrymander and rig the next election. The commission has no need to consider the geographical, historical or cultural identities and ties that have created our constituencies. That is why it can do its work in the time given.

Mr Heath: I am most grateful to the hon. Gentleman, because he has completely demolished whatever case the hon. Member for Rhondda had for saying that the Boundary Commission's resources were inadequate for its job.

Hon. Members who listened to the debate might also have felt that the hon. Member for Rhondda had tabled a second amendment of which they knew little. They certainly would not have heard that he wished to make the implementation of equal votes across the constituencies of the UK dependent on the referendum on the powers of the National Assembly for Wales. But his amendment would provide that nothing could change until after that referendum. Our difficulty with that is that these provisions have nothing to do with the devolved powers of the National Assembly for Wales: they are about putting the electors of Wales on the same basis as the electors of England, Scotland and Northern Ireland. It is a question of fairness.

Ian Lucas: Does the Parliamentary Secretary recognise that there are four different constitutional settlements within the United Kingdom and that those issues are central to the question of the constitutional arrangements relating to this House? Why is he presenting a Bill that is constitutionally illiterate?

Mr Heath: I know of no constitutional principle that says that voters in Wales should have twice the value of voters in Somerset. I do not understand that as a constitutional concept, and it is not one that I support. Why should Wales continue to be over-represented? Why should it be placed in that constitutional setting in eternity? Perhaps he can tell us.

Ian Lucas: The Parliamentary Secretary should recognise that the relationship between Wales and England is an historic one that depends closely on the managed constitutional relations between the two countries. The reality is that Wales is a small country that has a long and strong relationship with England, a much larger country. Wales has a distinct identity, and when he was on the Opposition Benches he recognised that through devolution. Why is he now jettisoning the distinct identity of Wales and treating the people of Wales in this way?

Mr Heath: There we have the paucity of the argument for the defence. This is not about the historic and cultural value of the principality of Wales. I am a great fan of Wales and I always have been. It has a very important part to play in the United Kingdom, but I return to my point that I see no reason why electors in Wales should have more of a say in this, the Parliament of the United Kingdom, than electors in any other part of the country. That is the principle before us today.

Mark Tami: The Parliamentary Secretary was asked a straightforward question earlier. If he believes in equalisation, why will two seats in Scotland be treated differently?

Chris Ruane: Answer that.

Mr Heath: I will happily answer—

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. I think that we are going wide of the mark and the Deputy Leader of the House is being dragged into areas where I would not expect him to be led. I know that he knows better and I will let him continue with his speech.

Mr Heath: I will of course be led by you, Mr Hoyle, on what it is appropriate to deal with on this group of amendments, although I will take great pleasure in coming back to that argument tomorrow when we debate the proposed constituencies.

Many hon. Members have concentrated on registration, and it is an extraordinarily important issue. I yield to no one in my wish to see registration dealt with much more effectively. Indeed, it was one of my persistent criticisms of the 13 years of the Labour Government that they did so little to ensure that the registration of electors was much improved. That is one of the many failures of the previous Government. I agree with my hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes), who said that this issue should transcend party politics and our views on the outcome of elections. It surely should be a principle that every single eligible elector should be on the register and that those who are not eligible should not be on the register.

Those are the two sides of the coin, as far as electoral registration is concerned. That is why I am so pleased to have heard what the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper) said the other day about the extra measures that the Government are taking to ensure that registration is carried out more effectively across the country. We can do more. I am taken by the view of my hon. Friend the Member for Bermondsey and Old Southwark, which I have heard expressed before, that we should have a democracy day. That is something we can build on. Perhaps hon. Members could work with the local authorities in their area and make better registration a reality.

11 pm

The debate stood adjourned (Programme Order, this day, and 12 October).

The occupant of the Chair left the Chair.

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, (Standing Order No. 119(11)).

MILLENNIUM DEVELOPMENT GOALS

That this House takes note of European Union Document No. 8910/10 and Addenda 1 to 5, A Twelve-Point Action Plan in Support of the Millennium Development Goals (MDGs); and supports the efforts the Government is making through the EU to improve the MDGs, secure Official Development Assistance (ODA) levels and improve aid effectiveness and accountability. *(Mr O'Brien.)*

Question agreed to.

STANDARDS AND PRIVILEGES

Ordered,

That Eric Ollerenshaw be discharged from the Committee on Standards and Privileges and Matthew Hancock be added. *(Sir George Young.)*

PETITION

Education Maintenance Allowance (Wakefield College)

11.1 pm

Mary Creagh (Wakefield) (Lab): I rise to present a petition on behalf of Wakefield college, the residents of the Wakefield constituency and others, and in the name of Sue Griffiths, the principal of the college on Margaret street in my constituency. The petition is signed by 271 young people from across the Wakefield district.

The petition states:

The Petitioners therefore request that the House of Commons urges the Government to consider the value of the EMA as a vital support to students from low income backgrounds; to recognise the importance of the EMA as a tool for raising attainment levels for 16-19 year olds and to increase social mobility; to recognise the devastating impact any cuts to the EMA would have on students at Wakefield College; and to therefore pledge that the EMA will not be subject to government cuts but protected and maintained in the future.

Following is the full text of the petition:

[The Petition of Wakefield College and residents of the Wakefield constituency and others,

Declares that the previous Labour government's introduction of the Education Maintenance Allowance (EMA), to students from households where the combined family income is less than £30,810, has increased the recruitment and retention of 16 year olds in full-time education; further declares that 58% of students at Wakefield College receive an EMA; further declares that for many families the EMA has become an essential part of their income; further declares that the EMA is a vital tool for raising attainment levels for 16-19 year olds and increasing social mobility; and further declares that this financial support to young people continuing their education and training is a valuable investment in young people across the country.

The Petitioners therefore request that the House of Commons urges the Government to consider the value of the EMA as a vital support to students from low income backgrounds; to recognise the importance of the EMA as

a tool for raising attainment levels for 16-19 year olds and to increase social mobility; to recognise the devastating impact any cuts to the EMA would have on students at Wakefield College; and to therefore pledge that the EMA will not be subject to government cuts but protected and maintained in the future.

And the Petitioners remain, etc.]

[P000865]

VAT (Charities)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Dunne.)*

11.3 pm

Ian Lucas (Wrexham) (Lab): It is a pleasure to be here this evening, Mr Deputy Speaker.

First, I would like to declare an interest as an unpaid patron of two charities in Wrexham—The Venture and Dynamic. Many Members will be involved in charities in their own constituencies. There are, in fact, 177 charities registered in my constituency, although, of course, many more provide services there. All MPs see the positive work that charities do. In Wrexham, I have seen the development of services provided by charities since I was elected in 2001, often co-ordinated by the Association of Voluntary Organisations in Wrexham. Many services are provided in partnership with the NHS, such as the Nightingale House hospice in the town, and some work with the local authority.

There has been an expansion of the work of charities in recent years often to cover work that previously was carried out by the Government—at local or, indeed, national level. It is this concept that, I believe, the present Government wish to accelerate through the development of the Prime Minister's concept of what he calls the big society. This process has created an anomaly. Services previously provided by local government benefited from an exemption, under section 33 of the Value Added Tax Act 1994, allowing local authorities to reclaim irrecoverable VAT incurred for non-business purposes. The rationale was that the VAT burden should not fall on local taxpayers. In a world where services are increasingly provided by charities, it seems unfair to require charities to bear that burden. Although the problem has existed for some years, it will necessarily be made bigger as more services are provided by charities, rather than by central or local government.

What undoubtedly makes the problem more acute is the Government's decision to increase VAT from 17.5 to 20%. That was a choice made by the Government. At the same time as deciding to increase VAT, the Government chose to announce a decrease in corporation tax, which benefits Barclays bank, for example, but does not benefit charities, which do not pay it. The Charity Tax Group has calculated that the increase will cost charities £143 million—money that will go directly into the pockets of the Government. I would like to place on record my thanks to the Charity Tax Group for the considerable work it has done in raising the issue. As a first step towards addressing the problem of irrecoverable VAT, will the Minister agree with me that the Government should not benefit from charities having to pay more VAT? If the big society is to mean anything, how can charities be expected to bear an additional financial burden while being required to provide additional services?

I contacted local charities in the Wrexham area to try to assess the impact of the VAT rise on them, and a number came back to me with figures. Earlier I mentioned Nightingale House hospice—probably Wrexham's best known local charity—which provides excellent care to local individuals suffering from cancer, many of whom end up dying. We all have hospices in our areas that provide excellent care, and the Nightingale House hospice told me that the increase in VAT would cost it around £10,000 a year—money going directly to the Government.

[Ian Lucas]

Hardest hit, however, will be those charities that provide goods and services for sale to vulnerable people. Vision Support is a charity that helps those across north Wales with a visual impairment. It has a large trading arm and supplies specialist equipment to the blind and partially sighted, such as phones and computer aids. Its VAT liability was £155,371 for the year ending 31 March 2010. The Government's action means that the charity would have to pay an extra £22,195.86 in VAT—money that it cannot use to provide services to some of the most vulnerable in the community that I represent. Again, the money goes directly into the pockets of the Government. Can that approach really be justified?

Jim Shannon (Strangford) (DUP): The hon. Gentleman has clearly outlined the issue for charities, but along with charities, there are probably literally hundreds of thousands of volunteers who do great work in constituencies across the United Kingdom. Does he agree that the change will affect not only charities, but volunteers and the good work that they do, and that this underlines the need for a VAT exemption for charities?

Ian Lucas: Certainly. We want to encourage volunteers in our society. They contribute hugely to community spirit, but it must be demoralising for them to have the hard-earned funds that they have raised taken away from them.

The issue is one that the Government should try to confront and deal with. It has been dealt with in particular circumstances in the past; for example, it was recognised by the last Labour Government, in their listed places of worship grant scheme. This paid the equivalent of the VAT expended on repair projects for listed places of worship back to those organisations. I have received representations from the Church in Wales asking the Government to extend that scheme beyond its end date of March 2011. Will the Government commit to pay charities generally the extra VAT that they obtain from those charities as a consequence of their own decision to increase the level of VAT? If the Government do not do so, that will diminish the capacity of charities to carry out their work.

Jason McCartney (Colne Valley) (Con): I congratulate the hon. Gentleman on securing this Adjournment debate. I wrote to the Minister recently about the Yorkshire air ambulance service, which receives no direct Government funding but needs £7,200 a day to keep both its air ambulances in the air. It currently has no exemption from paying VAT on the aviation fuel that it uses, but another charity, the Royal National Lifeboat Institution, is exempt from such charges on the fuel it buys for its lifeboats. Does the hon. Gentleman agree that this is yet another example of the inequality surrounding the payment of VAT by charities?

Ian Lucas: Indeed. I am sure that all Members of Parliament are aware of charities in our constituencies that work extremely hard to provide services that we all value. The hon. Gentleman has just ably demonstrated yet another contradiction that I cannot understand. The Government really need to address this issue as broadly as possible. If they do not do so, it will diminish the capacity of charities to carry out that valuable work in our communities.

I assume that this situation is directly contrary to the Prime Minister's intentions. If the big society is to be anything more than a vacuous soundbite, its proponents should be extending the capacity of charities rather than reducing it. We need to discuss this complex issue. Irrecoverable VAT has existed for many years, but charities are now carrying out more work and local authorities are asking them to do more work on their behalf, and the time has come for the Government to assess their role and the tax that they pay, and particularly to examine the burdens that will be imposed by the increase in VAT. They must then take steps to address this anomaly.

11.12 pm

The Exchequer Secretary to the Treasury (Mr David Gauke): May I first congratulate the hon. Member for Wrexham (Ian Lucas) on securing this debate? I am pleased to have this opportunity to explain and discuss the Government's policy on VAT and charities. Charities, voluntary organisations and social enterprises do so much for our country, and the Government are grateful for the significant contributions that these organisations make to our communities. The Government continue to support charities in a number of ways, and I will talk about our direct support for the sector a little later, although Members will appreciate that there is a limit to what I can say about that, ahead of tomorrow's spending review.

It might help if I first put on record something about the VAT system and charities. A basic feature of the VAT system is that if VAT is not charged on outputs, it cannot be recovered on inputs. The implication of this for charities is that when no charge is made, as is generally the case, any VAT that has been incurred will not be recoverable. Of course, when a charity is registered for VAT and engaged in taxable business activities, this will enable that charity to recover its VAT costs in the normal way. We are not in a position to change the structure of VAT to protect charities fully from its impact, but we provide support for charities through the tax system, including some VAT reliefs.

Existing VAT zero rates for charities, which were introduced at the start of VAT, and which successive Governments have maintained, provide a benefit of more than £150 million to the sector. They include VAT zero rating on sales of donated goods, on medical and scientific equipment and on goods for use by disabled people for qualifying charities. Charities are not charged VAT on the costs of advertising in public media. In addition, they qualify for zero rating on the construction of certain buildings to be used for charitable purposes. All those zero rates are derogations from the normal EU VAT rules and represent benefits not enjoyed by charities elsewhere in Europe.

Mrs Jenny Chapman (Darlington) (Lab): Will the Minister comment on the issues faced by charities when they charge one another for back-office functions, when we are trying to encourage them to become more efficient and deliver services in the most entrepreneurial and efficient way possible?

Mr Gauke: I am grateful to the hon. Lady for raising that specific point. I can assure her and other hon. Members that the Government will continue to look at options for cost sharing within the VAT system where

these are available to us and where they represent an effective and efficient means of delivering support to the sector. We are currently looking at the implementation of the EU VAT exemption for cost sharing. The Government recognise efficiencies that can be achieved by organisations such as charities working together efficiently, but we also recognise the potential VAT barriers such organisations face when they share services in exactly the way the hon. Lady mentioned. We said in the Budget that we would work closely with charities and other affected sectors to consider options for implementing the exemption, which would help to remove some of the barriers ahead of a formal consultation that we will launch later in the autumn. I hope that that provides some reassurance to the hon. Lady.

Returning to the issue of zero rates, as the hon. Member for Wrexham will be aware it is not open to us under our European agreements to extend or amend the zero rates, but we recognise how valuable they are to charities, so we are committed to retaining the zero rates that we already have. Charities also benefit from certain specific VAT exemptions that apply to goods and services used in connection with fundraising events, providing further support for all charities.

VAT reliefs are just one element of the support that the Government provide through tax. Within the wider tax system, existing reliefs for charities are worth something like £3 billion a year, of which gift aid is the largest single relief. Gift aid is now worth nearly £1 billion a year to charities, and such payments to charities are increasing. Gross donations made under gift aid amounted to almost £4.6 billion in 2009-10—an increase of 6.5% over the previous year. We fully recognise the importance of improving gift aid. Charity representatives have been exploring proposals for reform with Treasury and HMRC officials on the gift aid forum. We will be exploring the forum's recommendations before deciding on the best way forward.

The hon. Member for Wrexham wants us to go further and provide support for all charities to relieve them in respect of their irrecoverable VAT. As I have already explained, there is realistically very little that can be done within the VAT system itself. It is possible in principle to introduce a measure that would deliver refunds of VAT to charities in respect of their non-business activities. However, such refunds, which are a matter of Government expenditure rather than taxation, would represent a very significant cost to the Exchequer, especially given the current fiscal position.

We also have to consider that many charities are engaged in activities where they are in direct competition with private sector organisations, such as in the provision of care and welfare services, and it would be difficult to refund VAT that charities incurred in respect of those activities, as that would represent an unfair distortion of competition. Any scheme that could be devised might well be complex and administratively burdensome for charities to operate. In our view, it is far better for the Government, instead of introducing further complexities for charities, to focus on improving charities' capabilities to improve their own affairs, and I will turn to this in more detail shortly.

Yvonne Fovargue (Makerfield) (Lab): The charities that are engaged in competition with the private sector tend to be the larger ones, which go for contracts and are registered for VAT on their services It is the smaller charities which cannot get the VAT exemption that need the VAT to be paid back, because they are the ones that are suffering.

Mr Gauke: The hon. Lady is right to suggest that the problem is most acute for the smaller charities, but I do not think that that entirely detracts from the fact that in some circumstances those charities may well be in competition with the private sector in the delivery of welfare and care services. There may be a distortion of competition, and we ought to examine that very closely.

We fully recognise that the increase in the rate of VAT is unwelcome, but it is necessary to sustain public finances and ensure long-term fiscal stability. The burden of deficit reduction must be shared. It simply would not be right to single out one sector over another for special treatment, especially in view of the generous tax reliefs that have already been provided.

The hon. Gentleman and his party oppose the increase in VAT to 20%—which will raise £13.5 billion—but want to do more to reduce the deficit by raising taxes, which leads to the question of how those taxes should be raised. The last Government's proposed solution in the form of a tax rise—which has been reversed—was the increases in national insurance contributions, which would also have affected charities.

Ian Lucas: The last Government also raised £3.5 billion from a tax on bankers' bonuses. That is an alternative way of raising tax. Let me, however, return to the issue of the additional burden of VAT that the Government have chosen to impose on charities. The Minister has listed a number of the tax exemptions that already apply to charities. Why are the Government refusing simply to pass back to charities the additional revenue that they are receiving from the tax hike that was imposed on them?

Mr Gauke: I return to the central point. A refund system, whether for the recently announced increase in VAT or the irrecoverable VAT across the board—which, as the hon. Gentleman fairly pointed out, is a long-standing issue—would involve a considerable cost to the Exchequer. We must consider both the public finances and the most effective way in which we can help charities.

I want to say something about the Government's support for the voluntary and charitable sector in addition to the generous tax relief provided, especially through gift aid. However, Members will appreciate that much of the detail is a matter for tomorrow's spending review statement. The Government are proceeding with a new programme of activity to build the big society. The big society agenda requires the state not only to pull back when services can be provided more cost-effectively and successfully by charities, mutual organisations and co-operatives, but to help social entrepreneurs and voluntary groups to work in partnership with the state and gain access to the support and finance they need in order to provide innovative, bottom-up solutions where expensive state provision has failed.

Mrs Chapman: I wholeheartedly support the notion of the big society and encouraging charities to provide services. Among the key sources of income for those charities are philanthropic donations. Does the Minister not agree that people wishing to make donations are

[Mrs Chapman]

sometimes put off by the thought that some of the money they are giving is not being spent on the charitable objectives of the organisation concerned, but is finding its way back to the Treasury?

Mr Gauke: I imagine that exactly the same argument could apply if we increased national insurance contributions, which I understand is Labour party policy.

Ahead of tomorrow's spending review statement, it is not possible for me to say how much of the overall Government budget will go to the sector, but we are providing structural support designed to make it more efficient and resilient, and reforming commissioning and procurement, which currently hamper its involvement in public service delivery.

During the spending review 2010 period, we want there to be more opportunities for the sector to be involved. We want to help the sector to access a wider range of funding to increase its strength and independence. We are establishing a big society bank to lever additional social investment into the sector, and we are reviewing ways to incentivise further philanthropy and charitable giving. The Government are keen to progress this project as quickly as possible. Any progress will, however, be subject to the availability of dormant account funds.

In conclusion, the Government are committed to making it easier for the sector to work with the state and to strengthening relations between the two. That will not happen overnight, but a stable, strong and independent voluntary sector is needed if we are to deliver on the big society and give power back to citizens and communities.

Question put and agreed to.

11.25 pm

House adjourned.

House of Commons

Wednesday 20 October 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

CABINET OFFICE

The Minister for the Cabinet Office was asked—

Volunteering (Young People)

1. **Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): What recent steps his Department has taken to increase opportunities for young people to volunteer. [18048]

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): In the current financial year, the Department has provided £39 million in grants to the v organisation. On 22 July, the Prime Minister announced the introduction of the national citizen service to give young people an opportunity to develop the skills needed to be active and responsible citizens, mix with people from different backgrounds and start getting involved in their communities.

Mrs Hodgson: I thank the Minister for his response. At a fringe event at the Conservative party conference, I understand that the Minister for the Cabinet Office was quoted as saying that in his opinion the big society would be "chaotic and disorderly". That being the case, I feel that his heart is perhaps not in it. How can he go on to encourage young people to volunteer so that they can pick up the right skills and be employed fruitfully in the future?

Mr Hurd: We are absolutely committed to that, and the national citizen service will be an extremely important opportunity to connect young people with their own power to make a difference in their communities. I know that the hon. Lady took a strong interest in that through her work on the Select Committee on Children, Schools and Families. If she had had the opportunity to talk to some of the young people who had taken part in this year's pilot, she would have been as impressed as I was by the transformative effect that it had on them and on how they view their community and their own power to make a difference. We are very excited about it.

Duncan Hames (Chippenham) (LD): Voluntary organisations in my constituency rely on the great efforts of many people who are retired, and they are crying out for younger volunteers. Those volunteers need not just be teenagers, however. What plans do the Government have to facilitate opportunities for volunteering by people of working age?

Mr Hurd: We have planned a series of initiatives for the forthcoming years to promote wider volunteering and to connect people again with their own power to make a difference locally—that is the heart of the big society. I cannot be drawn on the detail of those plans, because they are subject to the spending review.

Mr Liam Byrne (Birmingham, Hodge Hill) (Lab): If voluntary service for young people is to work, the third sector has to still be alive. This afternoon the Chancellor is going to try to drive a steamroller over the big society. Can the Minister explain why, in answer to parliamentary questions from my hon. Friend the Member for Glasgow Central (Anas Sarwar), three quarters of Whitehall could not say what contracts they had in place with the third sector? How can the Department protect the third sector from cuts this afternoon if it does not know what contracts are in place? Is the Minister not, in effect, flying blind?

Mr Hurd: I suspect that the right hon. Gentleman will eat his words later when he hears the Chancellor. I do not see any steamroller in evidence in relation to the big society, which is absolutely central to the Government's mission. A central strand of that mission is to open up the public services to a more diverse set of providers, including and specifically contributions from the voluntary and community sectors. As the right hon. Gentleman well knows, they are in a position to add a huge amount of value. That is a specific commitment of this Government, and we are going to deliver on it.

Government Procurement

2. **Stuart Andrew** (Pudsey) (Con): What steps he has taken to increase the efficiency of his Department's mechanisms for Government procurement. [18049]

8. **Julian Smith** (Skipton and Ripon) (Con): What steps he has taken to increase the efficiency of his Department's mechanisms for Government procurement. [18055]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): Procurements of major projects by the British Government have typically taken 77 weeks. They have frequently involved the extensive use of external consultants. That process is costly and wasteful, excluding small businesses, social enterprises, and voluntary and charitable organisations. That results in procurements that are too often uncompetitive, delayed, expensive and ineffective. We are taking steps to streamline the process. In the meantime, we are renegotiating contracts with the bigger suppliers to the Government on a single-customer basis, thus leveraging the Government's buying power. That will deliver some £800 million-worth of savings in this financial year alone.

Stuart Andrew: Sir Philip Green's report showed just how little time the previous Government afforded to the basic principles of cost-effective commissioning and procurement. Does the Minister feel that that attitude is embodied in the ill-considered note left by the ex-Chief Secretary to the Treasury as he left his old job?

Mr Maude: If the last Government, including the right hon. Gentleman, had bothered to spend the time that we are spending getting into the unglamorous parts of Government spending to find out just how much money can be saved, he might not have felt it necessary

to leave a note in quite the stark terms that he did, true though it was. The fact is that there is a huge amount of wasteful spending. Sir Philip Green has done a sterling service in picking up some stones and providing the evidence for that, and we will be acting on his recommendations to see how we can take costs out of the overheads of Government. That is the best way to protect front-line services and to protect the jobs of dedicated public servants, which the right hon. Gentleman claims to care about.

Julian Smith: Does my right hon. Friend agree that small business has been locked out of the procurement process for far too long? Will he start to give small businesses, particularly those in Yorkshire, a fairer crack of the whip?

Mr Maude: A big benefit arising from the changes that we are proposing to make to the way in which services are procured is that they will open the door to smaller businesses. Over-prescriptive procurements make it very expensive for small businesses to take the risk of committing to tendering, and they tend to be excluded on a self-selecting basis. We want to change that. It is our aspiration that 25% of contracts should be let with small and medium-sized enterprises. That is the direction in which we hope to go, and I am sure that my hon. Friend's constituents in Yorkshire will take full advantage of it.

Gordon Banks (Ochil and South Perthshire) (Lab): Will the Minister be able to publish information in future to show that his aspiration to help small business is not just an aspiration but a reality?

Mr Maude: One of the stark conclusions of Sir Philip Green's review was that the quality of Government data is lamentably poor. It is not easy to know exactly what the position is. The right hon. Member for Birmingham, Hodge Hill (Mr Byrne) referred to the lack of centrally held data about contracts with the voluntary and charitable sector; that merely begins to illustrate the problem.

Mr Nigel Dodds (Belfast North) (DUP): The Minister talks about small and medium-sized enterprises gaining more from Government contracts, but can he indicate what he is doing to ensure that there is a good spread of that throughout all regions of the United Kingdom?

Mr Maude: All regions and nations across the United Kingdom should be able to benefit from that aspiration. We are going to expose much more widely the tender documents that are available so that small businesses will find it much easier to take part in these sometimes quite intimidating processes that have excluded many of them in the past. *[Interruption.]*

Mr Speaker: Order. I understand that the House is eagerly anticipating later business, but when there is a constant hubbub it is very discourteous and most unfair both on the person wanting to ask the question and on the Minister deputed to answer it.

Non-departmental Public Bodies

3. **Charlie Elphicke** (Dover) (Con): What recent progress has been made on his Department's review of non-departmental public bodies. [18050]

13. **Chris Skidmore** (Kingswood) (Con): What recent progress has been made on his Department's review of non-departmental public bodies. [18060]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): Last week I announced the first results of the Government's review of quangos. This is a work in progress; the principal aim is to increase accountability. We believe that where the state carries out a function it should be accountable to a Minister or to a local council unless one of three rigorous tests is met. To pass, the function must be purely technical, tasked with measuring facts or figures, or plainly required to be politically impartial. We reviewed 901 bodies and intend that nearly 200 will cease to be NDPBs, and we will merge a further 118 and substantially reform a further 171.

Charlie Elphicke: Does the Minister agree that the review should include the misuse of public funds by quangos and public sector balance sheet organisations in paying lobbyists to brief against the Government or elected Members in the execution of their mandates?

Mr Maude: Guidelines already limit the use of external consultants for those purposes, and we intend to tighten them further, because the public find it quite offensive that a quango should be spending taxpayers' money on hiring external consultants to lobby the Government to encourage them to spend more taxpayers' money.

Chris Skidmore: Will the Minister tell the House how many quangos were created by the previous Government and, of those, how many will remain as a result of the changes that he is introducing?

Mr Maude: As I said, we will reduce significantly the number of NDPBs. The right hon. Member for Birmingham, Hodge Hill (Mr Byrne) was bragging the other day about how many quangos he was planning to get rid of, but sadly the last Labour Government failed to act on their intentions.

Albert Owen (Ynys Môn) (Lab): Last week the Minister announced that many quangos would be done away with and their responsibilities transferred to third sector organisations. Will he assure the House and myself that those organisations, such as citizens advice bureaux, will be properly resourced so that they can provide people with specialised advice? Will he dispel the myth that this is being done on the cheap?

Mr Maude: The aim of the quango review is not particularly to save costs or money—although it will—but principally to increase accountability. When functions are transferred, such as consumer advocacy functions to CABs, there will be a transfer of resources. The hon. Gentleman will have to wait a little longer to hear the extent of those resources.

Mr David Lammy (Tottenham) (Lab): Why does the Minister intend to disembowel the Equality and Human Rights Commission? Does he not believe that its responsibility to promote equality on behalf of women and ethnic minorities is important? Why is he reducing it to a purely regulatory body?

Mr Maude: Many people felt that that body was not spending taxpayers' money well. Its function is important and we concluded that it justified the EHRC continuing to exist as an independent body, but given that we are facing a situation in which, as the former Chief Secretary helpfully pointed out, there is no money left, significant savings have to be made. The EHRC will have to play its part in that.

National Citizen Service

4. **Mary Macleod** (Brentford and Isleworth) (Con): What recent progress has been made on establishing the national citizen service. [18051]

7. **Charlotte Leslie** (Bristol North West) (Con): What recent progress has been made on establishing the national citizen service. [18054]

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): In July, the Prime Minister announced the start of the bidding process for providers of national citizen service pilots. We have been really pleased with the response, and in the next few weeks we expect to announce the successful bidders. We expect to provide places for about 10,000 young people, with a good geographical spread.

Mary Macleod: The national citizen service is a great example of how young people can make a difference in their local communities. What can I do to persuade people in Brentford and Isleworth to get more involved in the project?

Mr Hurd: I thank my hon. Friend for her interest. As I said, the successful bidders will be announced shortly. They will be responsible for recruiting local young people and communicating the opportunities in their area. If a pilot is run in her area, I urge her to support its provider, as I would urge all MPs to do. The experience of young people in the pilots that have already taken place just down the road from her in Hammersmith has been extremely positive.

Charlotte Leslie: In my constituency, some of the richest wards exist side by side with some of the poorest wards in the country. Can the Minister reassure me that children from more disadvantaged backgrounds will also be encouraged to get involved in the national citizen service?

Mr Hurd: I can certainly give my hon. Friend that assurance, and those children will be more than encouraged. Involving people from all kinds of backgrounds is a central aim of the programme and a key part of its value. As part of the commissioning process, organisations bidding to deliver a pilot next summer have been asked to set out their specific plans to support the broadest range of young people to participate. *[Interruption.]*

Mr Speaker: Order. There are still far too many private conversations taking place in the Chamber. I want to hear, and I hope the House wants to hear, Steve Rotheram.

Steve Rotheram (Liverpool, Walton) (Lab): As a former employee of a quango, I am following the Minister's much-vaunted "bonfire of the quangos", as he called it. Now that the comprehensive spending review is upon us, can he tell the House what the total savings will be?

Mr Speaker: Order. Unfortunately, that question suffers from the disadvantage that it bears absolutely no relation to the question on the Order Paper. We must have another go, so I call Stella Creasy.

Stella Creasy (Walthamstow) (Lab/Co-op): The tender document for the national citizen service pilot sets out the Government's refusal to meet the total costs of the programme. Just how much of the bill does the Minister expect the voluntary sector and young people themselves to meet?

Mr Hurd: The cost of the pilots will be revealed as a result of the spending review. We are committed to two years of pilots to test a range of approaches to delivering the service, which will help us to identify the most cost-effective way forward. We will have a clear idea of the likely costs of a wider roll-out of the national citizen service once we have evaluated the two-year pilot phase.

Social Enterprises

5. **Richard Fuller** (Bedford) (Con): What assessment he has made of the likely effect on social enterprises of reductions in Government expenditure. [18052]

The Minister of State, Cabinet Office (Mr Oliver Letwin): Of course, social enterprises will be affected by the spending review. However, as part of our structural reform programme, we are bringing forward huge new opportunities for the social enterprises of this country—indeed, for the voluntary and community sector as a whole—to participate in the delivery of public services.

Richard Fuller: I am heartened by my right hon. Friend's response. He may be aware of the current uncertainty surrounding Foxgloves residential home, which provides respite care for families of children with epilepsy and autism. It is working well with the council to find a solution, but other solutions should come from the community. Are there are any plans to bring forward the use of unclaimed assets so that social enterprises can draw on them to provide alternatives, and the parents at Foxgloves can continue to use it and secure its future?

Mr Letwin: The sort of case that my hon. Friend raises is relevant to our concerns, and we are very focused on that. It is one reason for our introducing the big society bank, which will be partly funded in just the way that he describes, and can, in turn, fund social enterprises and voluntary and community service organisations that require funding in the interim.

Roberta Blackman-Woods (City of Durham) (Lab): According to research by the National Council for Voluntary Organisations, third sector organisations that provide education and training opportunities could be the most imperilled by public spending cuts. What is the Minister doing to ensure that training opportunities in the third sector remain? Has he pressed the Department for Business, Innovation and Skills and the Treasury on that?

Mr Letwin: I think that the reverse will turn out to be the case, in the sense that the Government are planning a huge and terribly important Work programme, which will focus heavily on not only getting people into jobs,

but training them for jobs. We are also greatly enlarging the programme of apprenticeships, and there are various other elements, about which hon. Members will hear in the spending review announcement. Consequently, we anticipate more, not fewer opportunities for voluntary and community organisations to participate in training and employment.

Commissioning and Procurement

6. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What recent progress has been made in delivering his Department's policies on Government commissioning and procurement. [18053]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): Commissioning is currently too prescriptive; tender documents can be immensely lengthy, specifying every detail of every step in every process. That stifles innovation, excludes new entrants to the market and adds wholly unnecessary cost. We intend that commissioning should be outcome-based, leaving much more scope for innovative providers from the social enterprise, voluntary, charitable and small business sectors to bid. Whenever possible, commissioning should be based on a payment-by-results model.

On procurement, I refer my hon. Friend to my reply to Question 2. *[Interruption.]*

Mr Speaker: Order. Once again, I understand the excitement and anticipation, but the House must come to order. Such conduct makes a bad impression on the electorate, whose support we so recently sought.

Stephen Metcalfe: I thank my right hon. Friend the Minister for his answer. Following his earlier comments, I seek assurance that small and medium-sized enterprises in my constituency can access Government contracts. Can he give me any examples of practical help now or in future that would make that easier to achieve?

Mr Maude: We certainly hope that that will be the case. It is our aspiration that 25% of Government contracts should end up in the small and medium-sized sector. We are committed to publishing online, in an easily accessible form, all Government tender documents. That will make it much easier for small businesses, which can otherwise be put off the process, to take part.

Jon Trickett (Hemsworth) (Lab): In terms of commissioning and procurement, the public sector procures £13 billion-worth of services from the charitable sector. On Monday, a think-tank suggested that the Government's statement today will wipe out about £5 billion of that procurement—the whole of the increase that was achieved in the past 10 years. What are the Minister's intentions for funding the voluntary sector? How does he reconcile cuts in that sector with the Prime Minister's aspiration for the big society?

Mr Maude: We are very aware of concerns in the sector. The Chancellor is very aware of them, and will have something to say about the matter a little later. However, there must be reductions in public spending for the simple reason that the former Chief Secretary set out with such uncharacteristic lucidity in his valedictory note.

Public Services (Third Sector)

9. **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): What recent assessment he has made of the effectiveness of the use of third sector organisations by local authorities in delivering public services. [18056]

The Minister of State, Cabinet Office (Mr Oliver Letwin): As I mentioned in my response to my hon. Friend the Member for Bedford (Richard Fuller), the Government believe that the voluntary and community sector has a huge role to play in providing public services. Indeed, our intention is vastly to enlarge the potential for that to occur.

Catherine McKinnell: Newcastle city council has reassured me of its commitment to using the voluntary sector, but what will the Minister do to ensure that the severe cuts to local authority funding do not mean that the big society is just an underfunded big con?

Mr Letwin: We are extremely conscious of the fact that there may be a gap between when we introduce the new reforms that I described and when the effect of the expenditure cuts is felt. My right hon. Friend the Chancellor will have very much to say on that when he makes his statement, and I would not want to pre-empt what he will say on how we will handle that situation.

Ben Gummer (Ipswich) (Con): Suffolk county council was recently part of the body that commissioned drug and alcohol treatment services in Suffolk. Unfortunately, a very small, excellent charity in my constituency—the Iceni Project—was excluded from that process because of its size. What can the Minister do to ensure that the Iceni Project will be included, and will he agree to meet it and me?

Mr Letwin: I would of course be delighted to meet my hon. Friend and the charity in question. As we restructure contracts in the way in which my right hon. Friend the Minister for the Cabinet Office mentioned—away from hugely prescriptive tender contracts and into payment by results—I hope we will find that there are huge opportunities for charities such as the small one in my hon. Friend's constituency to participate and deliver excellent results. We should not have the huge bureaucratic burdens that prevent the smaller voluntary and community organisations from participating.

Helen Goodman (Bishop Auckland) (Lab): I am sorry to say that the Minister sounds rather naive. I went to visit Crisis in Sunderland. Three quarters of its money comes from a combination of housing benefit and local government grant. When both those are cut, how can it maintain its services?

Mr Letwin: I think the hon. Lady is ignoring the extent to which our programme of structural reform will enlarge opportunities for people to participate in services from the voluntary and community sector—*[Laughter.]* Opposition Members may not believe that, but that is because they did not try to find ways to deliver services on the basis of payment by results, or to find ways that actually work. We know that voluntary and community organisations are capable of that. When they do it, they will find that there is access to a large amount of revenue that is currently denied to them.

Departmental Procurement

10. **Mark Pawsey** (Rugby) (Con): What steps his Department is taking to share best practice in procurement among Departments. [18057]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): Procurement of basic commodities was carried out without any effort to leverage the scale and buying power of the whole Government—*[Interruption.]*

Mr Speaker: Order. I understand the excitement, but I hope that that practice, which was discontinued some time ago, will be discontinued in future. The Minister must be heard.

Mr Maude: That led to one part of the Government buying basic office supplies at seven and a half times the cost that other parts incurred. Allowing wasteful spending of that type to remain unreformed would mean that front-line services and the jobs of dedicated public servants would be more at risk. We are mandating that all Departments and public bodies should in future buy through supplier contracts negotiated on behalf of the whole of central Government. That will cut the costs of Government overheads by some—*[Interruption]*

Mr Speaker: Order—*[Interruption.]* Order. In so far as we could hear the Minister, I think we have got the drift of it.

Mark Pawsey: I thank the Minister for his reply in as much as I heard it. It is sound commercial practice to maximise buying power by adding together the purchases of all bodies within an organisation and to use that to drive down prices from suppliers, yet Sir Philip Green found waste arising from huge variation in the prices paid by different Departments. What steps will the Minister take to co-ordinate Government procurement in future?

Mr Maude: We will be mandating that all of central Government should buy through centrally negotiated contracts. That will save £500 million in the current year alone, and will drive savings running into billions of pounds in the years that lie ahead.

Dr Alan Whitehead (Southampton, Test) (Lab): Will the Minister ensure that best practice in sustainable and green procurement is part of his briefing in ensuring best practice in Departments, and does he consider that the abolition of the Sustainable Development Commission will help or hinder him in that process?

Mr Maude: We are committed to procuring in a way that is sustainable, but I do not agree with the hon. Gentleman that maintaining a quango is a guaranteed way to achieve that.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [18063] **Mr Peter Bone** (Wellingborough) (Con): If he will list his official engagements for Wednesday 20 October.

The Prime Minister (Mr David Cameron): This morning I had meetings with ministerial colleagues and others and, in addition to my duties in the House, I shall have further such meetings later today.

Mr Bone: During this Parliament, our contributions to the European Union will increase by £17.5 billion, so yesterday's cuts to the defence budget will not go to reduce the deficit, but to subsidise our European partners. This is obscene. What would the Prime Minister like to say to the European Union?

The Prime Minister: First, the point is that the previous Government gave away some £8 billion of rebate and got nothing in return. I am clear that we will not accept any increases in the EU budget in the next seven-year financial perspective. We have called for a cash freeze in the size of the EU budget for 2011 and we are working hard to make this case across Europe. Just yesterday, I spoke to the new Dutch Prime Minister as he is another ally in trying to ensure that, as we make difficult decisions at home, we do not spend extra money on the EU budget.

Edward Miliband (Doncaster North) (Lab): I want to start by asking the Prime Minister about something that the Justice Secretary said. Unfortunately, he has become part of the "squeezed middle" due to the logjam on the Tory Front Bench. Three weeks ago, the Justice Secretary—a former Chancellor—said:

"I do not rule out the risk of a double-dip recession".

On the same day, the Prime Minister said that the UK economy was out of the danger zone. Which of them is right?

The Prime Minister: First, let me compliment the Justice Secretary because he has something that I am not sure the Leader of the Opposition has yet acquired, which is bottom.

If the Leader of the Opposition read out the full quotation from the Lord Chancellor he would find that it referred to western Europe as a whole. That is the point. Perhaps he would like to read out the whole quote now.

Edward Miliband: The—*[Interruption.]* Let me be very clear about this. The Justice Secretary said:

"I do not rule out the risk of a double-dip recession"

because of global fear and crisis. He was talking about the United Kingdom. It is a very simple question for the Prime Minister. Who is right? Is it the Justice Secretary when he does not rule out the risk of a double-dip recession? Or is the Prime Minister saying that the Justice Secretary has put his foot—or his Hush Puppy—in it? Is he saying that the Justice Secretary was wrong to say that there was a risk of double-dip recession in the UK?

The Prime Minister: Of course, the Leader of the Opposition must ask the questions and I must answer them, but he must—if I may say so—ask a complete question which should include the complete quotation. Have another go.

Edward Miliband *rose—[Interruption.]*

Mr Speaker: Order. I want time for Back Benchers, especially those on the Order Paper. Let us make some progress.

Edward Miliband: Look, the Prime Minister knows as well as I do that there are risks in the global economy, including to the United Kingdom. The Chief Secretary revealed yesterday that half a million jobs will be lost as the result of the Chancellor's announcements today. What people who are in fear of losing their jobs will want to know is what the consequences of the spending review will be for them. They will think that this spending review will be a failure if it leads to rising unemployment next year. Will the Prime Minister say that he agrees with them that the spending review will be a failure if unemployment were to rise next year—yes or no?

The Prime Minister: That is a much better question; I think we are making some progress. The whole point of the Government's approach is to take the British economy out of the danger zone, which is where it was left by the last Government. This is very important: the choice that we were left with when we came into power was to accept what the last Government had set out, but this is what was said about that. The Governor of the Bank of England said that it was "not a credible plan", the CBI said that it was not a "credible path", the OECD said that it was a "weak fiscal position", and the IMF said that it was not good enough. We had a choice: should we keep what we were left with or should we take bold action to get Britain out of the danger zone? That is what we have done. That is what today is all about, and it is time that the right hon. Gentleman asked something relevant to that.

Edward Miliband: The Prime Minister began by saying that it was a good question, then he said that it was irrelevant. Which is it? Let me give him another—*[Interruption.]* I know that he is getting advice from the Chancellor; he can answer the questions himself. Let me try the Prime Minister on another question, because he did not answer that one.

The Energy Secretary, who does not seem to be around—[Hon. Members: "He is here!"] Oh, he is there. Excellent. I am glad that he is here. The Energy Secretary says that the Government should not be "lashed to the mast" of the Government's tax and spending numbers were economic circumstances to change. Does the Prime Minister agree? In particular, if at the end of November the Office for Budget Responsibility were to forecast a rise in unemployment next year, does the Prime Minister think that the tax and spending judgments of the Government should change? Yes or no?

The Prime Minister: First, to respond to what the right hon. Gentleman said about me and the Chancellor, I know that it is a novel concept, but in this Government the Prime Minister and the Chancellor speak to each other.

On unemployment, the independent Office for Budget Responsibility—which we have established and which is fully independent—is forecasting that unemployment will fall next year, the year after and the year after that. It is forecasting that employment—*[Interruption.]* One question at a time, please. The right hon. Gentleman is very eager. The Office for Budget Responsibility also forecasts that employment will rise next year, the year after and the year after that. That is the independent forecast, and one of the reasons for that is that we have taken the economy out of the danger zone. He asks about the Energy Secretary, but what is interesting about this Government is that two parties have come together in the national interest to sort out the economic mess that was left by the other. That is what has happened, and that is why there is real unity in this Government in dealing with the mess that we inherited.

Edward Miliband: Let me give the Prime Minister another chance, because the truth is that the global economic outlook is uncertain, as the former Chancellor admits—the Prime Minister does not really want to admit it—and it could affect the UK. The question that people will be asking as they watch these exchanges is this: if things change, and if unemployment were to rise next year, will the Government revise their tax and spending plans? It is a simple question; the Prime Minister can just say yes or no.

The Prime Minister: Where the right hon. Gentleman is absolutely right is that we live in a dangerous world economy, and the outlook for the world economy is choppy and difficult. That is what the Justice Secretary was talking about and what the Chancellor has been talking about. The question for the Government is this: in an uncertain world economy, are we taking the British economy out of the danger zone? Are we doing the right thing to protect the long-term interests of people's jobs and livelihoods? That is what we are doing. What the right hon. Gentleman is doing is thoroughly irresponsible, and I think he probably knows it.

Edward Miliband: This is very interesting, because the Prime Minister used to say that he was a different type of Conservative, but I have given him the chance to say that he will change his plans if unemployment rises, and he has ducked the chance to do so. We all remember the catchphrases: "If it isn't hurting, it isn't working"; "Unemployment is a price worth paying." He sounds exactly like that. What we have is a Prime Minister lashed to the mast of the tax and spending plans. Should he not admit it? He is taking the biggest gamble in a generation—with growth, with people's jobs and with people's livelihoods.

The Prime Minister: We all remember some catch phrases: "No more boom and bust"—remember that one?—and "Prudence with a purpose", which left us with the biggest budget deficit in the G20. We remember that, and who was the economic adviser at the Treasury at the time? He is sitting right there—*[Interruption.]*

Mr Speaker: Order. The Prime Minister must be heard.

The Prime Minister: Let me give the right hon. Gentleman one simple piece of advice that I learned sitting in his seat for five years: if you have not got a plan, you cannot attack a plan. He has not got a plan, so he has got nothing to say—*[Interruption.]*

Mr Speaker: Order. Order. Be quiet now! I call Nicky Morgan.

Nicky Morgan (Loughborough) (Con): Charnwood borough council has completed the online publication, three months early, of all its expenses over £500. In the light of today's announcements, is it not right that taxpayers want to know exactly how much is spent in their name and what the money is spent on?

The Prime Minister: My hon. Friend is absolutely right, and one of the ways that we will try to save money while not losing too many jobs in the public sector is by making sure that we are more efficient. One of the best tools for efficiency is transparency: putting online what is spent and how it is spent, and what people's salaries are can help to drive down costs in a way that makes public services better while saving money at the same time.

Q2. [18064] **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): Many of my constituents fear for their jobs. Will the Prime Minister reassure them by explaining how cutting science funding is part of a strategy for growth? Germany is increasing its science funding by 7%. On jobs, is the Prime Minister's message to Newcastle: "Auf wiedersehen, pet"?

The Prime Minister: The hon. Lady makes a very good point, which is that, in making spending reductions—whoever had won the last election would have had to make spending reductions—it is vitally important that we try to protect economic growth. The last Government were committed to 20% departmental spending reductions, and I can say—without, I hope, pre-empting all of my right hon. Friend the Chancellor of the Exchequer's statement—that I hope she and the whole House will find that we have struggled hard but we have been able to freeze the science budget in cash terms, which is a good outcome for science.

Mr Oliver Heald (North East Hertfordshire) (Con): Will the Prime Minister join me in paying tribute to the work of Save the Children and other charities that deal with development work in some of the most difficult places in the world? Does he share my delight in today's news of the release of Frans Barnard in Somalia?

The Prime Minister: I do, and I am very grateful to my hon. Friend for raising this case. We have been in close contact with Save the Children over the kidnap of Frans Barnard, who is doing vitally important work on its behalf in Somalia, and we are delighted by the news that he has been freed by his kidnappers. Let me praise the professionalism of Save the Children and thank the Somali clan members who were involved in his release. I am sure that it will be good for him to be back with his family after what must have been a very frightening and difficult few days.

Q3. [18065] **Sandra Osborne** (Ayr, Carrick and Cumnock) (Lab): On the day when more than 2,000 supporters of Christian Aid, including some from my own constituency, have come to Parliament in support of a cross-party consensus on protecting the aid budget, does the Prime Minister agree that we should be leading a global crackdown on the tax-dodging that costs poor countries more each year than they actually receive in aid?

The Prime Minister: I do; on a day when I am sure that there will not be cross-party agreement on everything that is discussed, we should just take one moment to celebrate the fact that this country, almost alone among other countries, is going to meet the United Nations target of 0.7% of gross national income for overseas aid by 2013. We have made difficult choices under this Government in order to deliver that, and to keep our international promise to some of the poorest people in the world. Every party in the House can be proud of the role that it will play in ensuring that Britain stands up for aid in our modern world, and we can put pressure on other countries to do the same thing.

Jessica Lee (Erewash) (Con): Will the Prime Minister join me in backing the supporters of Ilkeston Town football club in my constituency who are working hard to put together a bid to save the club? If they are successful, it will be the first supporter-owned football club under the new coalition Government, and a real asset to us in Erewash.

The Prime Minister: My hon. Friend makes a good point. Many hon. Members will have football clubs in their constituencies that sometimes struggle financially, and seeing one owned by its supporters is a very positive move. I hope she will not mind if I spend more of my time on another football bid, which is the very important bid to make sure that England hosts the World cup in 2018.

Q4. [18066] **Lindsay Roy** (Glenrothes) (Lab): I have already briefed the Prime Minister on the likely impact of the interim cap on migrant workers on a leading-edge company in my constituency. The one graduate sponsorship licence issued has suddenly been withdrawn. Can the Prime Minister assure me that he will review this case urgently, as this expert is pivotal to growth and jobs in our community?

The Prime Minister: I thank the hon. Gentleman for giving me notice of his question. I will arrange for the Minister for Immigration to look urgently at this case. The point is that we have consulted business and other interested parties on how the limit should work. We have also asked the Migration Advisory Committee to consult on what the actual limit should be. The consultations are closed and we will announce the findings in due course. The reason for an interim cap is that it was important to have a temporary limit to ensure that there was no closing-down sale, as it were, before the final limit was introduced. I will make sure that the Minister for Immigration gets in touch with the hon. Gentleman about this case.

Q5. [18067] **Mr Christopher Chope** (Christchurch) (Con): May I ask my right hon. Friend a question of which I have given him prior notice? Will he tell the House why he believes that the first-past-the-post system for election is far fairer than the alternative vote system?

The Prime Minister: My hon. Friend tempts me into answers that will not delight everyone on this side of the House. I am clear that I have always supported the first-past-the-post system. I like to have the individual link between constituency and MP. In some cases, the alternative vote would have led to even more disproportional outcomes in national elections. Let me thank my hon. Friends who I know have misgivings about this referendum for allowing the Parliamentary Voting System and Constituencies Bill to go through. I think we should make this argument in the country rather than try to wreck the Bill in the House.

Q6. [18068] **Dr William McCrea** (South Antrim) (DUP): Now that the final day of the Chancellor's judgment has arrived, can the Prime Minister assure me by confirming that the decision taken on the 50,000 savers of the Presbyterian Mutual Society will be both fair and equitable? Will he assure us that no sleight of hand will be used in delivering the full financial package promised by the previous Administration to the Northern Ireland Executive?

The Prime Minister: I thank the hon. Gentleman for his question. Having already announced one of the Chancellor's nuggets from his speech, it would be testing our friendship if I announced another. I gave my word about finding a settlement for the PMS. I know how important this is in Northern Ireland. I know that people lost money and that there was frustration that Ministers would stand at the Dispatch Box and say that no one had lost money during the financial crash—they did in the PMS. I hope that the hon. Gentleman will be satisfied by what the Chancellor has to say in a moment.

Dan Byles (North Warwickshire) (Con): Last week, I joined a parliamentary delegation to China, where I was able to pick up a copy of Chairman Mao's "Little Red Book". Is the Prime Minister interested to learn that Chairman Mao said:

"Thrift should be the guiding principle in our government expenditure."?

If Mao Tse-tung supports coalition policy, does that not mean that the Labour party is in a minority of one?

The Prime Minister: I am glad that my hon. Friend has been travelling and seeing the world. *[Interruption.]*

Mr Speaker: Order. I want to hear the Prime Minister's views about Chairman Mao.

The Prime Minister: I am glad that my hon. Friend is travelling the world and learning so much. We learned a few weeks ago that even Cuba is making reductions in public spending, so I think this puts the modern Labour party somewhere between China and Cuba—but I am not quite sure where.

Q7. [18069] **Michael Connarty** (Linlithgow and East Falkirk) (Lab): Following a meeting with the Northern Ireland human rights commissioners yesterday, it is clear that this Government intend to breach the spirit and the letter of the Good Friday and the St Andrews agreements by refusing to bring in a Human Rights Act specifically for Northern Ireland, as recommended by the commission and supported recently by more than 80% of the Protestant and Catholic communities. How can the Prime Minister possibly excuse this betrayal of the people of Northern Ireland?

The Prime Minister: I thank the hon. Gentleman for his question. I will look at that carefully; I know that it has been discussed. It is a difficult issue and there are some problems that we need to resolve, but I will look at it and write to the hon. Gentleman.

Mr David Nuttall (Bury North) (Con): Does the Prime Minister agree that it is completely unacceptable that the European Union is expanding its bureaucracy while here in the UK we are cutting ours?

The Prime Minister: I agree with my hon. Friend. This is a point that I have made at the European Council in the past and that I will make again at the next one. There are allies for these views in Europe. I talked about the Dutch Prime Minister; the Germans are also unwilling to see increases in the budget in future. We need to work with these allies to try to explain that it is just unacceptable. When we are making difficult decisions at home, Europe should be doing the same with its own budget.

Q8. [18070] **Mr Tom Watson** (West Bromwich East) (Lab): Is it wise and right that Ministers invest in offshore tax havens?

The Prime Minister: I think that that issue was fully raised by Channel 4, and fully answered by the Government. Everyone should obey the law; everyone should pay their taxes.

Q9. [18071] **Philip Davies** (Shipley) (Con): Despite the Prime Minister's earlier answers, can I tell him that at a time when we are cutting budgets in this country, it is absolutely unacceptable that the Government rubber-stamped an increase in the budget of the European Union? Given that he pledged at the general election that only two budgets would be ring-fenced—those for the health service and overseas aid—will the Government go to the European Union and say that we are not only talking about freezing the budget, but want it to take the pain and cut its budget?

The Prime Minister: My hon. Friend makes a fair point, but the fact is that we opposed the increase in the budget that he voted against the other night, and will go on opposing increases in the budget. The key is the next financial perspective: that is the best way in which to control the budget. We need to build allies for that, we need to build our argument for that, and we need to make sure that Europe starts to live within its means.

Q10. [18072] **Mr David Anderson** (Blaydon) (Lab): The North East chamber of commerce has reported that 17,000 construction jobs are at risk as a direct result of proposed cuts in local councils. For some of us in the House, unemployment is not just a subject for theoretical discussion. Some of us have lived through and experienced the real desolation that unemployment means. Will the Prime Minister now tell us clearly whether he believes today what he believed in 1992—that unemployment is a price worth paying?

The Prime Minister: I do not take that view at all. I take the view that we must do everything we can to get our people into good and well-paid jobs. I have to say, however, that if we do not tackle the deficit, every job in the country will be under threat. That is the point. We are not doing this because we want to; there is no ideological zeal in doing this. We are doing this because we have to.

The hon. Gentleman mentioned the British Chambers of Commerce. What the British Chambers of Commerce said at the time of the Budget was that this

"will have positive effects on business and investor confidence"

and

"will be welcomed by companies the length and breadth of the country—and across the globe."

That is what the chambers of commerce think. They think that we are right to take this action, and they think that the Labour party is wrong.

Q11. [18073] **Mr David Evennett** (Bexleyheath and Crayford) (Con): Does my right hon. Friend agree that you do not need a basic economics primer to know that when there is a £44 billion black hole in the public finances, you should not propose additional commitments of £10 billion in speeches made outside the House around the country?

The Prime Minister: And in speeches after which they will not answer any questions, which is a novel approach.

My hon. Friend is right. We have a problem with the deficit in this country, and we have got to deal with it. We have set out the ways in which we are going to do that, and we have set out a plan. The Opposition do not have a plan, and you cannot attack a plan unless you have one yourself. If all you can do is come up with extra taxes for extra spending, you are completely irrelevant to the debate in the country today about how we pay down our debts. That is the question, and we have the answer.

Q12. [18074] **Mrs Jenny Chapman** (Darlington) (Lab): Given the Prime Minister's repeated assurances that the north-east has nothing to fear from him, his Government, and public sector job cuts because he believes that the private sector will thrive in the vacuum, can he name just three businesses in the north-east that he believes will be expanding their work forces in the next 12 months?

The Prime Minister: This week 38 businesses wrote to the papers backing the action. Those businesses were spread right across the country, but let me give the hon. Lady some satisfaction in terms of the north-east. I believe that the north-east has a great future in renewable energy, and she is about to hear that we are protecting capital spending so that the carbon capture and storage projects will go ahead and the investment in wind power will go ahead. As for the green investment bank, which lots of people have talked about, we will be putting proper money into it so that it can invest in the north-east and elsewhere in the country.

Q13. [18075] **Nick Boles** (Grantham and Stamford) (Con): Can my right hon. Friend reassure my constituents who rely on the excellent hospitals in Grantham and Stamford that he has rejected the advice of the shadow Chancellor, and will protect spending on our NHS?

The Prime Minister: I can absolutely give that guarantee. That is something on which we fought the election, something that is in the coalition agreement, and something that my right hon. Friend the Chancellor will be delivering.

We will have to make difficult decisions, including difficult decisions about the NHS, but what I can say is that we will fulfil our promise that national health spending will not be cut in real terms under this Government. That is a big contrast with what we hear from the Labour party, which has said in terms—particularly the shadow Chancellor—that protecting the national health service is wrong. We do not agree: we think that it is right.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): When the Prime Minister accused Labour Members of scaremongering during the general election for highlighting the Conservative threat to take security of tenure from council tenants and impose massive rent increases on them, was he goading us to use unparliamentary language or was he simply being economical with the truth?

The Prime Minister: The right hon. Gentleman will hear in a minute what our plans are for bold housing reform that will lead to more social homes being built, but it does not actually involve changes to tenure. I do think that we have to look at new ways to get houses built. The fact is that under the last Government we had housing targets and vast amounts of investment in social housing, but house building was lower in every year of the last Government than it was under the previous Conservative Government. That is a common story: vast amounts of money spent, with very poor results.

Q14. [18076] **Annette Brooke** (Mid Dorset and North Poole) (LD): Last week, a special day was allocated to raising awareness of secondary breast cancer. There is an urgent need to collect good data on people living with secondary breast cancer in order to improve the outcomes for people living with that incurable disease. Would the Prime Minister be prepared to meet a delegation from the all-party group on breast cancer and a few people from the relevant charities?

The Prime Minister: I will be very happy to do that, and the hon. Lady is right to raise this issue. We do have a good record on cancer in this country, but it needs to be a lot better if we are to get it up to the best level in Europe. Part of that is about early diagnosis, which I have spoken about and on which I know the Health Secretary is taking action. However, as she says, all of us will have met in our own constituencies people with secondary breast cancer and we need to give the issue more attention. I will be happy to have the meeting she suggests.

Q15. [18077] **Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): Four years ago, Gary Dunne, from my constituency, was murdered in Spain. His parents, Lesley and Steve, have fought a long and ultimately successful campaign to have his body returned for burial in this country. Would the Prime Minister agree to meet Mr and Mrs Dunne to discuss proposals for changes in the law, so that no other family has to go through the ordeal that they went through?

The Prime Minister: The hon. Gentleman raises a very important case. Anyone who has lost a relative who has died overseas knows the enormous worry about how to deal with these issues and how to get things sorted out. On behalf of the whole Government and the House, I send my condolences to Mr and Mrs Dunne. I know that they have dealt with this case with great dignity and courage. I hope that the fact that they have now been able to bury their son in the UK will help them to start to come to terms with their terrible loss. I am very happy to meet them and try to work out what we can do to deal with sad situations such as this. There is a problem when different countries have different

rules, particularly where the death has occurred some time before, but we should try to work it through and I am happy to meet them.

Duncan Hames (Chippenham) (LD): Does the Prime Minister agree that, if graduates are to be asked to make a greater contribution to the cost of their education, in order to be fair those with the greatest ability to pay should make the greatest contribution?

The Prime Minister: Yes, I completely agree. In the end, I think that almost everyone in this House wants the same thing: we want well-funded universities; we want universities that are able to exercise some independence; we want a growing higher education sector; we want people from low-income backgrounds to be able to go to the best universities in the country; and we want a proper element of progressivity. That is what Lord Browne proposes, and we are going to amend that to make it even more progressive. In particular, I think that moving the salary before you start to pay back from £15,000, which we had for many years, to £21,000 is a really big step forward. I hope that we can get all-party agreement for what would be a good and proper reform of higher education for the long term in our country.

Mr Virendra Sharma (Ealing, Southall) (Lab): I am sorry for not giving the prior notice to the Prime Minister, but I am confident that, given his reassurance on the NHS, he will be able to answer my question this afternoon. Does he agree with me and the Secretary of State for Health that it makes no sense to close Ealing hospital's accident and emergency department, given that 100,000 patients use this service each year? Will the Prime Minister also take this opportunity to end rumours of coalition plans to close the entire Ealing hospital?

The Prime Minister: I will have to get back to the hon. Gentleman on the detail of his question, but we believe that those top-down reorganisations that took place in the NHS, in which many accident and emergency units were closed without taking into account what local people wanted, were wrong. The whole point of the reform of the NHS is to put power in the hands of patients and doctors, so decisions about hospitals will be made on the basis of what local people want and not on the whim of Ministers.

Andrew Selous (South West Bedfordshire) (Con): Many of my constituents are gravely concerned that when young people are found guilty of serious crimes and offences and get off with a caution no action is taken against their parents. Will the Prime Minister agree to consider that matter and perhaps to have words with the Justice Secretary about what could be done?

The Prime Minister: I am very happy to look into that issue. As we seek efficiencies and savings in the Home Office and the Ministry of Justice, we are going to have to be reformers. We are going to have to be more thoughtful and creative about how we have a criminal justice system that carries out punishment in which the public are confident, but that is not so wasteful of public money as what we have now. It is a challenge for us and it is a challenge that we will have to rise and meet.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): It looks as if there is a possible end to the current industrial dispute at British Airways. Will the Prime Minister join me in sending a clear message to senior management at British Airways that should the cabin crew decide to return to normal working, there should be no harassment, no bullying and, most importantly, no recriminations?

The Prime Minister: I think the most important thing is that this strike ends—that this action ends—and that British Airways gets back to working properly. The fact is that there is a hugely competitive airlines sector out there and those of us who love our national carrier and want it to be a success want to see people go back to work and work out how to make it compete with others that are striving ahead in the world. That is what we need, and the last Government did not really say that.

Several hon. Members *rose—*

Mr Speaker: Order. Before the Chancellor comes to the Dispatch Box to make his statement, let me say to the hon. Member for Linlithgow and East Falkirk (Michael Connarty) that points of order come after statements.

Comprehensive Spending Review

12.31 pm

The Chancellor of the Exchequer (Mr George Osborne): Today is the day when Britain steps back from the brink and when we confront the bills from a decade of debt; a day of rebuilding, when we set out a four-year plan to put our public services and welfare state on a sustainable footing for the long term, so that they can do their job of providing for families, protecting the vulnerable and underpinning a competitive economy. It is a hard road, but it leads to a better future.

We are going to bring the years of ever-rising borrowing to an end. We are going to ensure, like every solvent household in the country, that what we buy we can afford, that the bills we incur we have the income to meet and that we do not saddle our children with the interest on the interest on the debts that we were not prepared ourselves to pay.

Tackling this budget deficit is unavoidable. The decisions about how we do it are not. There are choices, and today we make them. Investment in the future, rather than the bills of past failure: that is our choice. We have chosen to spend on the country's most important priorities: the health care of our people; the education of our young; our nation's security; and the infrastructure that supports our economic growth. We have chosen to cut the waste and reform the welfare system that our country can no longer afford.

This is the context of this spending review. We have, at £109 billion, the largest structural budget deficit in Europe—this at a time when the whole world is concerned about high deficits and our economic stability depends on allaying those concerns. We are paying at the rate of £120 million a day, £43 billion a year in debt interest—this at a time when we all know that the money would far better serve the needs of our own citizens than those of the foreign creditors we borrow from. We have inherited from the previous Government plans—if one can call them that—that envisaged our national debt ratio still rising in the year 2014. Not a single penny of savings had been identified. Indeed, they were plans that envisaged the Chancellor of the Exchequer standing here in 2014, presenting a spending review that still had years of cutting public spending ahead of it. That is why, last year, the International Monetary Fund warned this country that it had to accelerate the reduction in the deficit. That is why the OECD, the Governor of the Bank of England and the CBI all agreed with the IMF.

The action we have taken since May has taken Britain out of the financial danger zone. The immediate reductions to in-year spending have bought us a breathing space in the sovereign debt storm. The creation of an independent Office for Budget Responsibility has brought honesty back to official forecasts. I can confirm to the House that the OBR and its new chair, Robert Chote, have audited all the annually managed expenditure savings in today's statement.

The emergency Budget in June was the moment when fiscal credibility was restored. Our market interest rates fell to near-record lows, our country's credit rating was reaffirmed and the IMF went from issuing warnings to calling our Budget essential. Now we must implement some of the key decisions required by that Budget. To back down now and abandon our plans would be the road to economic ruin. We will stick to the course, we will secure our country's stability and we will not take Britain back to the brink of bankruptcy.

In the Budget, I set out the tax increases we were prepared to make, including on capital gains at the higher rate, pensions relief on the largest contributions and, for the first time, a permanent levy on banks. We also had to increase value added tax, where, fortunately, we were able to benefit from the preparatory work in the Treasury of the previous Government. I made it clear that spending reductions rather than tax rises needed to make up the bulk of the consolidation. That is what the leading international evidence suggests works best. So I set out spending totals for the coming years and announced some £11 billion of welfare savings that would help to achieve them. I also set out a new fiscal mandate for the public finances to eliminate the structural deficit by balancing the cyclically adjusted current Budget over five years by 2015-16. We set a target of national debt falling as a proportion of national income by that same year. We explained how, for reasons of caution, we will achieve both these objectives a year earlier, in 2014-15.

I can confirm that the spending plans I set out today achieve a balanced structural current Budget and falling national debt on the same timetable. I can further confirm that the current spending totals I set out in the Budget for each of the next four years are the same as the current spending totals I set out today. They have not changed. Next year, current expenditure will be £651 billion, then £665 billion the year after and £679 billion the year after that, before reaching £693 billion in 2014-15. The House will note that current spending is rising, not falling, over that period. That is partly because, even with the measures we take today, debt interest payments continue to grow in these years. Debt interest payments will reach £63 billion in 2014-15—it takes time to turn around the debt supertanker—but I can now report to the House that against the plans we inherited, one of the departments which suffers the greatest cut today, and at the steepest rate, is the department for debt interest. Debt interest payments will be lowered by £1 billion in 2012, then by £1.8 billion in 2013 and by £3 billion in 2014—a total of £5 billion over the course of the spending review, which is equivalent to 16 new hospitals or the annual salaries of 100,000 teachers.

At the Budget, I also set out my plans for capital spending over the next four years. I can tell the House that capital spending will be at £51 billion next year, then £49 billion, then £46 billion and at £47 billion in 2014-15. This is about £2 billion a year higher than I set out in the Budget. Given the contractual obligations we inherited from the last Government, doing anything else would have meant cutting projects that would clearly enhance the economic infrastructure of this country. This has no direct impact on whether we meet the fiscal mandate or the year in which the debt ratio starts falling. So, total public expenditure—capital and current—over the coming years will be £702 billion next year, then £713 billion, then £724 billion and £740 billion in 2014-15. In real terms, public spending will be at the same level as in 2008. Our public services and our welfare system will be put on a sustainable long-term footing and we will make sure that the financial catastrophe that happened under the previous Government never, ever happens again.

[Mr George Osborne]

Let me now turn to the spending decisions and the three principles that we propose to apply to the choices that we have made. First, on reform, in every area where we make savings, we must leave no stone unturned in our search for waste, and we must deliver the changes necessary to make our public services fit for the modern age.

Secondly, on fairness, we are all in this together and all must make a contribution. Fairness means creating a welfare system that helps the vulnerable, supports people into work and is affordable for the working families who pay for it from their taxes. Fairness also means that, across the entire deficit reduction plan, those with the broadest shoulders will bear the greatest burden; those with the most should pay the most, and that includes our banks.

Thirdly, on growth, when money is short, we should ruthlessly prioritise those areas of public spending that are the most likely to support economic growth, including investments in our transport and green energy infrastructure, our science base and the skills and education of our citizens.

Let me explain now how those principles have guided our specific decisions. First, on reform, I believe that the public sector needs to change to support the aspirations and expectations of today's population, rather than the aspirations and expectations of the 1950s, so the spending review is underpinned by a far-reaching programme of public service reform. We saw over the last decade that more money without reform was a recipe for failure; less money without reform would be worse, and we are not prepared to accept that, so we have begun by squeezing every last penny that we can find out of waste and administration costs.

Our ambition in this review was to find £3 billion of savings from the administrative budgets of central Government Departments. With the help of the Green review and the work done by my right hon. Friend the Minister for the Cabinet Office and Paymaster General, I can tell the House that we have gone further than we thought possible in cutting back-office costs. Quangos will be abolished; services will be integrated; assets will be sold; and the administrative budget of every main Government Department will be cut by a third. The result is this: we promised £3 billion of Whitehall savings; we will deliver £6 billion.

Of course, there is a very understandable concern about the reduction in the total public sector head count that will result from the measures in the spending review. We believe that the best estimate remains the one set out by the independent Office for Budget Responsibility. It has forecast a reduction in the head count of 490,000 over the spending review period. Now let us be clear: that is over four years, not overnight, and much of it will be achieved through natural turnover, by leaving posts unfilled as they become vacant. Estimates suggest a turnover rate of over 8% in the public sector; but, yes, there will be some redundancies, and that is up to the decisions of individual employers in the public sector. That is unavoidable when the country has run out of money.

We feel responsible for every individual who works for the Government, and we will always do everything that we can to help them to find alternative work. In fact, in the last three months alone, this economy created 178,000 jobs. So we should remember that, unless we deal with this record budget deficit decisively, many more jobs will be in danger in both the private and the public sector.

The Cabinet Office and the Treasury will oversee the programme of Whitehall savings. Both Departments will lead by example. The core Cabinet Office budget will be reduced by £55 million by 2014-15. Additional allocations will be provided to fund electoral reform, support the big society projects, establish community organisers and launch the pilots for the national citizen service, which will give young people for the first time a right of passage to citizenship. In recognition of the challenges faced by the voluntary and community sector, I am establishing a one-year £100 million transition fund to help those facing real hardship. The Treasury will see its overall budget reduce by 33%, and we will share the Department's enormously expensive private finance initiative building, which my predecessor but one signed up to, by moving part of the Cabinet Office into the same premises.

The Chancellor is also a royal trustee, and I want to say something briefly about the civil list. As I outlined in the Budget, the 10-year settlement expired this year, and no provision for a new settlement had been made when we entered office.

Her Majesty has graciously agreed to a one-year cash freeze in the civil list for next year. Going forward, she has also agreed that total royal household spending will fall by 14% in 2012-13, while grants to the household will be frozen in cash terms. In order to support the costs of the historic diamond jubilee, which the whole country is looking forward to celebrating, there will be a temporary additional facility of £1 million. After that, the royal household will receive a new sovereign support grant linked to a portion of the revenue of the Crown estate, so that my successors do not have to return to this issue as I often as I have had to.

Central to this review—*[Interruption.]*

Mr Speaker: Order. All this noise makes progress slower and saps time that would otherwise be available for Back Benchers to question the Chancellor. Apart from anything else, it is unfair and discourteous.

Mr Osborne: Central to this review is the reshaping of our public services. First, there needs to be a dramatic shift in the balance of power from the centre to the locality. A policy of rising burdens, regulations, targets, assessments and guidance has undermined local democracy and stifled innovation. We will completely reverse that. We will give GPs powers to buy local services, schools the freedom to reward good teachers, and communities the right to elect their police and crime commissioners.

Secondly, we should understand that all services paid for by the Government do not have to be delivered by the Government, so we will expand the use of personal budgets for special education needs, children with disabilities and long-term health conditions. We will use new payment mechanisms for prisons, probation and community health services, and we will encourage new providers in adult social care, early years and road management.

For local government, the deficit that we have inherited means an unavoidably challenging settlement. There will be overall savings of funding to councils of 7.1% a

year for four years, but to help councils we propose a massive devolution of financial control. Today I confirm that the ring-fencing of all local government revenue grants will end from April next year. The only exception will be simplified schools grants and a public health grant. Outside of schools, police and the fire service, the number of separate core grants that go to local authorities will be reduced from over 90 to fewer than 10. Councils and their leaders will remain accountable, but they will no longer have to report on 4,700 local area agreement targets.

The local government settlement includes funding for next year's council tax freeze to help families when their budgets are tight. We are also introducing tax increment finance powers, allowing councils to fund key projects by borrowing against future increases in locally collected business rates.

Some in local government have concerns about the financing of social care. I can announce that grant funding for social care will be increased by an additional £1 billion by the fourth year of the spending review, and a further £1 billion for social care will be provided through the NHS to support joint working with councils, so that elderly people do not continue to fall between the cracks of two different systems. That is a total of £2 billion of additional funding for social care to protect the most vulnerable.

We will also reform our social housing system, for it is currently failing to address the needs of the country. Over 10 years, more than 500,000 social rented properties were lost. Waiting lists have shot up, families have been unable to move, and, although a generation ago only one in 10 families in social housing had no one working, this had risen to one in three by 2008-09.

We will ensure that in future social housing is more flexible. The terms for existing social tenants and their rent levels will remain unchanged. New tenants will be offered intermediate rents at about 80% of the market rent. Alongside £4.4 billion of capital resources, this will enable us to build up to 150,000 new affordable homes over the next four years. We will continue to improve the existing housing stock through the decent homes programme, and we will reform the planning system so that we put local people in charge, reduce the burdens on house builders and encourage more homes to be built, with a new homes bonus.

Within an overall resource budget for the Department for Communities and Local Government which is being reduced to £1.1 billion over the period, priority will be given to protecting the disabled facilities grant. This will go alongside a £6 billion commitment over the four years to the supporting people programme, which provides help with housing costs for thousands of the most vulnerable people in our communities. In recognition of the important service provided by the fire and rescue service, we have decided to limit its budget reductions in return for substantial operational reform.

Let me turn now to reforms in our security and defence. Yesterday, my right hon. Friend the Prime Minister set out the conclusions of the strategic and defence review. He explained in detail how we will protect the British people, deliver on our international obligations and secure British influence around the world. This spending review provides the resources to do just that. The budget for the Ministry of Defence will reach £33.5 billion in 2014-15, a saving of 8% over the period. On top of this settlement, we will continue to provide out of the reserve the resources that our forces in Afghanistan require. As the Chancellor, I believe strongly that if we ask our brave servicemen and women to risk their lives on our behalf in active combat, then we will give them all the tools they need to finish the job.

Our international influence and commitment to the world are not determined only by our military capabilities; our diplomacy and development policy matter too. Savings of 24% in the Foreign and Commonwealth Office budget will be achieved over the review period by a sharp reduction in the number of Whitehall-based diplomats and back-office functions. There will be a focus on helping British companies win exports and secure jobs at home, and with the help of UKTI we will attract significant overseas investment to our shores.

I can also confirm that this coalition Government will be the first British Government in history, and we will be the first major country in the world, to honour the United Nations commitment on international aid. The Department for International Development's budget will rise to £11.5 billion over the next four years. Overseas development will reach 0.7% of national income in 2013; this will halve the number of deaths caused by malaria and save the lives of 50,000 women in pregnancy and of 250,000 newborn babies.

Whether working behind the counter of a charity shop, volunteering abroad or contributing taxes to our aid budget, Britons can hold their heads up high and say, "Even in these difficult times, we will honour the promise that we made to some of the poorest people in our world."

Our aid budget allows Britain to lead in the world. It may be protected from cuts, but it is not from scrutiny. I have agreed with my right hon. Friend the International Development Secretary a plan of reform that reduces administration costs to half the global donor average, ends the aid programmes that we inherited in China and Russia, focuses on conflict resolution and creates an independent commission to assess the impact of the money that we commit.

Let me now turn to security at home. Protecting the citizen is a primary duty of the Government. Our police put themselves in harm's way to make the rest of us safe, and we owe them our gratitude. But no public service can be immune from reform. Her Majesty's inspectorate of constabulary found in his recent report that significant savings could be made to police budgets without affecting the quality of front-line policing. Tom Winsor is leading a review of terms and conditions that will report on how the police service can manage its resources to serve the public even more cost-effectively.

Using independent forecasts for the precept, the settlement that I am proposing today will see police spending falling by 4% each year. By cutting costs and scrapping bureaucracy, we are saving hundreds of thousands of police man hours. Our aim is to avoid any reduction in the visibility and availability of police in our streets. Our new national security strategy judges terrorism to be one of the highest risks facing this country. Therefore I am prioritising counter-terrorism over the review period, both in the Home Office budget and the single intelligence account. We have been assured that this will maintain our operational capabilities against both al-Qaeda and its affiliates and against Northern Irish terrorist threats. This will enable us to meet the terrorist threat and to protect the Olympic games in 2012.

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Overall, the Home Office budget will find savings of an average of 6% a year. The Ministry of Justice's budget will reach £7 billion by the end of the four-year period, with an average saving of 6% a year. A Green Paper will set out proposals to reform sentencing, intervene earlier to give treatment to mentally ill offenders and use voluntary and private providers to reduce reoffending. Some £1.3 billion of capital will also be provided over the period to maintain the existing prison estate and fund essential new-build projects, but plans for a new 1,500-place prison will be deferred.

The Law Officers' Department will reduce its budget by a total of 24% over the period, with the Crown Prosecution Service greatly reducing its inflated cost base. Reforms will also be required to streamline the criminal justice system, close underused courts and reduce the legal aid bill. We do need fair access to justice but provided at a fair cost for the taxpayer.

All the reform that I have spoken of—to Whitehall and the way services are provided, to local government and to our defence, security and justice system—will improve both value for money for taxpayers and the service provided to the public. Next month, each Government Department will publish a business plan setting out its reform plans for the next four years, so that their priorities are clear and the public can hold them to account.

Reform is one of the guiding principles of this spending review—and so, too, is fairness. Let us be clear: there is nothing fair about running huge budget deficits and burdening future generations with the debts that we ourselves are not prepared to pay. How ironic that it was the last Labour Prime Minister himself who once observed that

> "Public finances must be sustainable over the long term. If they are not then it is the poor…that will suffer most." [*Official Report*, 2 July 1997; Vol. 297, c. 304.]

not that he is here in the Chamber today. That is why we are restoring order to our public finances before that is allowed to happen.

A fair Government deal with the deficit decisively, and that is what we are going to do. A fair Government make sure that those with the broadest shoulders bear the greatest burden. The distributional analysis published today shows that those on the highest incomes will contribute more towards this entire fiscal consolidation, not just in cash terms but also as a proportion of their income and consumption of public services combined.

I completely understand the public's anger that the banks, which were so appallingly regulated over the last decade, and whose near-collapse wrought such damage to our economy, should now be contemplating paying high bonuses. We are overhauling the system of regulation that we inherited, so that the Bank of England, with its clout and reputation, is put in charge. We have set up the Independent Commission on Banking to look at the structure of the industry, and next year we will receive its report.

Today we set out very clearly, for all to take note of, our objective in taxing the banking industry going forward. We neither want to let banks off making their fair contribution, nor do we want to drive them abroad. Many hundreds of thousands of jobs across the whole United Kingdom depend on Britain being a competitive place for financial services.

Our aim will be to extract the maximum sustainable tax revenues from financial services. We will assess what those maximum revenues could be—not just in one year, but over a period of years. We have already decided, in the face of opposition from the previous Government, to introduce a permanent levy on banks. The legislation will be published tomorrow. Once fully effective, the permanent levy will raise more net each year and every year for the Exchequer than the one-year bonus tax did last year. I note that the previous Chancellor now admits that that failed to curb behaviour and was not sustainable.

However, that is not enough. We want the banks to pay not just by the letter of the tax law, but by its spirit. A year ago, the previous Government announced in a fanfare that they would require banks to sign up to the code of practice on taxation. I have asked the Revenue how many of our leading 15 banks actually signed up. The answer is four—four out of 15. That is what happened when they were in office—all talk and no action.

I have instructed the Revenue to work with the banking sector to ensure that the remaining banks have implemented the code of practice by the end of next month. We will also address the situation under the last Government where the gap between the taxes owed and the taxes paid grew considerably. So in this spending review, while the HMRC budget will be expected to find resource savings of 15% through the better use of new technology, greater efficiency and better IT contracts, we will be spending £900 million more on targeting tax evasion and fraud. This additional £900 million is expected to help us collect a missing £7 billion in tax revenues. Nor will fraud in the welfare system be tolerated any more. We estimate that £5 billion a year is being lost in this way—£5 billion that others have to work long hours to pay in their taxes. This week we published our plans to step up the fight to catch benefit cheats and deploy uncompromising penalties when they are caught.

That brings me to the wider welfare budget. A civilised country provides for families, protects the most vulnerable, helps those who look for work, and supports those in retirement. That is why one of the first acts of this coalition Government was to re-link the basic state pension to earnings and guarantee a rise each year by earnings, inflation or 2.5%. Never again will those who worked hard all their lives be insulted with a state pension increase of just 75p. But this guarantee of a decent income in retirement has to be paid for at a time when people are living much longer than anyone predicted. We should celebrate that fact, but also confront it. Lord Turner's report on pensions, commissioned by the last Government, acknowledged that a more generous state pension had to be funded by an increase in the pension age. Even since its publication, life expectancy has risen further than it predicted.

Before the summer, we launched a review on increasing the state pension age, and that review has now concluded. As a result, I can announce today that the state pension age for men and women will reach 66 by 2020. This will involve a gradual increase in the state pension age from 65 to 66, starting in 2018, and it will mean an acceleration of the increase in the female pension age already under

way since this April. From 2016, the rate of increase will be three months in every four rather than the current plan of one month in every two. Raising the state pension age is what many, many countries are now doing, and will by the end of the next Parliament save over £5 billion a year—money that will be used to provide a more generous basic state pension as we manage demographic pressures.

Earlier this month, we also received the interim report from John Hutton's public service pensions commission. I am sure that the whole House will want to thank John Hutton for his excellent and independent piece of work. I welcome his findings. I hope that it will form the basis of a new deal that balances the legitimate expectations of hard-working public servants for a decent income in retirement with the equally legitimate demands of hard-working taxpayers that they do not pay unfairly for it.

I think that the elements of this new pension deal are clear. We should accept that public service pensions continue to provide a form of defined benefit and that there is no race to the bottom of pension provision. We want public service pensions to be a gold standard. At the same time, we should accept that they must be affordable. When these public service pension schemes were established in the 1950s, taxpayers made half the contributions; today, they make up two thirds of the contributions, and the unfunded bill is set to rise to £33 billion by 2015-16.

We should accept, as John Hutton does, that there has to be an increase in employee contributions, although I also agree with him that this should be staggered and progressive. That means that the lower-paid—and those in the armed forces—are protected, and the highest-paid public servants, who get the largest benefits, pay the highest contributions. We will await the full commission report next spring before coming to any conclusions on the exact nature of the defined benefit and the progressive contribution rise. We will also launch a consultation on the fair deal policy, as he recommends, but we will now carry out, as the interim report suggests, a full public consultation on the appropriate discount rate used to set contributions to these pensions. From the perspective of filling the hole in the public finances, we will seek changes that deliver an additional £1.8 billion of savings per year in the cost of public service pensions by 2014-15, over and above the plans left to us by the last Government.

It is also clear that the current final salary pension terms for MPs are not sustainable, and we anticipate that the current scheme will have to end. We will make a further statement following the publication of Lord Hutton's findings.

The welfare system is also there to help people of working age when they lose their job, have a disability, start a family and need help with low pay. But the truth, as everyone knows, is that the welfare system is failing many millions of our fellow citizens. People find themselves trapped in an incomprehensible out-of-work benefit system for their entire lifetime because it simply does not pay to work. This robs them of their aspirations and opportunities, and it costs the rest of the country a fortune. Welfare spending now accounts for one third of all public spending. Benefit bills soared by 45% under the previous Government. In some cases, the benefit bill of a single out-of-work family has amounted to the tax bills of 16 working families put together. This is totally unsustainable and unfair. The last Government promised reform and flunked it: we will deliver.

My right hon. Friend the Work and Pensions Secretary is setting out proposals, with my support, to replace all working-age benefits and tax credits with a single, simple universal credit. The guiding rule will be this: it will always pay to work. Those who get work will be better off than those who do not. This represents the greatest reform to our welfare state for a generation. It will be introduced over the next two Parliaments at a pace that ensures that we get this right. I have set aside over this spending review more than £2 billion of resources to make this happen, and it will go alongside our new Work programme, which we are also funding today. Drawing on the skills of the voluntary sector and private providers, the Work programme will provide intensive help for those looking for work and support for those who could look for work but currently lack the confidence or the skills to try.

The Department for Work and Pensions will make savings to help to deliver these schemes by increasing the use of digital applications and reducing overheads. But we will also be seeking substantial savings from the rest of the £200 billion benefit bill, on top of those already identified in the Budget. As I said in June, the more we could save on welfare costs, the more we could continue other, more productive areas of Government spending. And in the massive public consultation we conducted over the summer, the overwhelming message we received was that the British people think it is fair to reform and reduce welfare bills in order to protect important public services.

So today I announce these further welfare savings. We will time limit contributory employment and support allowance for those in the work-related activity group to one year. This is double the length of time that applies to contributory jobseeker's allowance. We will increase the age threshold for the shared-room rate in housing benefit from 25 to 35, so that housing benefit rules reflect the housing expectations of people of a similar age not on benefits. We will give local authorities greater flexibility to manage council tax, together with direct control over council tax benefit, within an overall budget that will be reduced by 10% from April 2013.

We will align the rules for the mobility and care elements of disability living allowance paid to people in residential care, generating savings but enabling us to continue with this important benefit. We will freeze the maximum savings credit award in pension credit for four years, thereby limiting the spread of means-testing up the income distribution.

We will further control the cost of tax credits by freezing the basic and 30-hour elements for three years; we will change the working tax credit eligibility rules so that couples with children must work 24 hours per week between them; and we will return the child care element of the working tax credit to its previous 70% level. We will also introduce a new cap on benefits. No family that does not work will receive more in benefits than the average family that does go out to work. That is tough, but fair. Of course, those in receipt of disability living allowance, working tax credit or the war widow's pension will be excluded.

Taken together, all these welfare measures I have outlined will save the country £7 billion a year. But we want to ensure that low-income families with children

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are protected from the adverse effects of these essential savings—because this Government are committed to ending child poverty. I can announce today that I am increasing the child element of the child tax credit by a further £30 in 2011-12 and £50 in 2012-13 above indexation. This will mean annual increases of £180 and then £110 above the level promised by the last Government, and it will provide support to 4 million lower-income families. And I can confirm that using the same model we inherited, the spending review will have no measurable impact on child poverty over the next two years, while we await the conclusions of the report by the right hon. Member for Birkenhead (Mr Field).

Let me now turn to the universal benefits. I have taken the difficult decision to remove child benefit from families with a higher rate taxpayer. I wish it were otherwise, but I simply cannot ask those watching this earning just £15,000 or £30,000 a year to go on paying the child benefit of those earning £50,000 or £100,000 a year. The debts of the last Labour Government, and the need to ensure that the better-off in society also make a fair contribution, make this choice unavoidable. It also means that no further changes to child benefit are required. Child benefit will continue to be paid in the normal way to the great majority of the population from birth until a child leaves full-time education at the age of 18 or even 19. We can afford to do that because, according to the latest independent estimates we have received from the Office for Budget Responsibility, removing child benefit from higher rate taxpayers will actually save Britain £2.5 billion a year.

We will also keep the universal benefits for pensioners, in recognition of the fact that many have worked hard and saved hard all their lives. Free eye tests, free prescription charges, free bus passes, free TV licences for the over-75s and winter fuel payments will remain exactly as budgeted for by the previous Government, as promised. I am also turning the temporary increase in the cold weather payments introduced by the last Government into a permanent increase. In my view, higher cold weather payments should be for life, not just for general elections.

So, too, are the promises that we make on the national health service. The NHS is an intrinsic part of the fabric of our country. It is the embodiment of a fair society. This coalition Government made a commitment to protect the NHS and increase health spending every year. Today we honour that commitment in full. Total health spending will rise each year over and above inflation. This year we are spending £104 billion on health care, capital and current combined. By the end of four years we will be spending £114 billion. We can afford that, in part because of the decisions on welfare that I have just announced, and also because we have made tough decisions in other parts of the Government budget. But to govern is to choose, and we have chosen the national health service.

That does not mean that we are letting the Department of Health off the need to drive real reform and savings from waste and inefficiency. Productivity in the health service fell steadily over the past 10 years, and that must not continue. By 2014 we are aiming to save up to £20 billion a year by demanding better value for money—but the money we save will be reinvested in our nation's health care.

As the independent forecasts we published in the Budget show, we need to make those savings to deal with our ageing population and the rising costs of new medical treatments, but there are also new services we can offer. A new cancer drug fund will be provided, spending on health research will be protected, and we will prioritise work on the treatment of dementia. We will expand access to psychological therapies for the young, the elderly and those with mental illness. We will fund new hospital schemes, including the St Helier, the Royal Oldham and the West Cumberland.

For health spending, as for other spending announcements, there will be consequential allocations for Scotland, Wales and Northern Ireland. The Barnett formula will be applied in the usual way, which means that the increase in health spending and the relative protection of education spending will feed through to the devolved resource budget. It means that all three nations will actually see cash rises in their budget, although rises below the rate of inflation. For Scotland the resource budget will rise to £25.4 billion in 2014-15. For Wales it will rise to £13.5 billion, and for Northern Ireland to £9.5 billion. In Scotland we are proceeding with the implementation of the Calman reforms. In Wales we will consider with the Assembly Government the proposals in the final Holtham report, consistent with the Calman work being undertaken in Scotland.

In Northern Ireland, the collapse of the Presbyterian Mutual Society has caused great hardship, and people have been left without their money for far too long. I confirm today that we will provide the Northern Ireland Executive with £25 million in cash and a £175 million loan to help those who have lost their life savings.

We will also help those across the United Kingdom who have lost money as a result of the collapse of Equitable Life. For 10 years the Equitable Life policyholders have fought for justice. For 10 years the last Government dithered, delayed and denied them that justice. It is time to right the wrong done to many thousands of people who did the right thing, saved for their future and tried not to depend on the state, and then were the innocent victims of a terrible failure of regulation.

So let me make it clear: I accept the findings of the parliamentary ombudsman in full. I have read the advice of Sir John Chadwick and I thank him for it, but I do not agree with the level of compensation that his analysis suggested. I agree with the ombudsman that the relative loss suffered is the difference between what policyholders actually received from their policies and what they would have received elsewhere. The parliamentary ombudsman herself recognised that a balance had to be struck between being fair to policyholders and being fair to taxpayers, particularly when many budgets and benefits are being cut. But money that we pay out has to come from general public expenditure. I have decided that the fair amount to pay out in total is in the region of £1.5 billion, two thirds of which will be found in this spending review period. Those who had with-profits annuities were particularly hard hit, as they were retired and were unable to move their savings elsewhere. As a result, the Government will cover the cost of the total relative loss suffered by those deserving people. The scheme will start making payments next year.

Those measures, and our welfare reforms, mean that it will always pay to work; the benefits savings will help us protect key public services such as the national

health service; and there is help for those who have saved and lost everything. These are fair decisions, consistent with the second principle of this spending review.

The third and final principle centres on growth and promoting a private sector recovery. By restoring macro-economic stability we have brought certainty to business, and by cutting business taxes we are giving businesses the freedom to compete. Today's review builds on those steps, because even when money is short we should prioritise the areas of public spending that are most likely to support economic growth. That is what we are doing with the Department for Business, Innovation and Skills. Administration will be cut by £400 million, 24 quangos will go, lower-priority programmes such as Train to Gain will be abolished, and adult learners and employers will to have contribute more to further education. But that means that today I can announce the largest ever financial investment in adult apprenticeships—an increase of more than 50% on the previous Government's provision, helping 75,000 new apprentices a year by the end of this spending review period.

We will maintain and invest in the post office network and protect community post offices. We will come forward with our detailed response to Lord Browne's report on higher education funding and student finance, including our plans to provide financial support to encourage those from the poorest households to stay in education. Our universities are the jewels in our economic crown, and it is clear that if we want to keep our place near the top of the world league tables, we need to reform our system of funding and reject—as, to be fair, many Opposition Members do—the unworkable idea of a pure graduate tax. Clearly, better-off graduates will have to pay more, which will enable us to reduce considerably the contribution that general taxpayers have to make to the education of those who will probably end up earning much more than them.

Overall, annual savings of 7.1% will be found from the budget of the Department for Business, Innovation and Skills—the minimum it was asked to find. Within those savings, however, the Secretary of State and I have decided to protect the science budget. Britain is a world leader in scientific research, and that is vital to our future economic success. That is why I am proposing that we do not cut the cash going to the science budget. It will be protected at £4.6 billion a year. Building on the Wakeham review of science spending, we have found that within the science budget, significant savings of £324 million can be found through efficiency. If they are implemented, with this relatively protected settlement I am confident that our country's scientific output can increase over the next four years.

We will also invest £220 million in the UK Centre for Medical Research and Innovation at St Pancras, and fund the molecular biology lab in Cambridge, the Institute for Animal Health in Pirbright and the diamond synchrotron in Oxford.

Research and technological innovation will help us with one of the greatest scientific challenges of our times—climate change—and support new jobs in low-carbon industries. So today, even in these straitened times, we commit public capital funding of up to £1 billion to one of the world's first commercial-scale carbon capture and storage demonstration projects. We will also invest more than £200 million in developing offshore wind technology at port sites.

Yesterday protesters scaled the Treasury, urging us to proceed with their idea for a green investment bank. That is the first time anyone has protested in favour of a bank—but we will go ahead. I have set aside in the spending review £1 billion of funding for that bank, but I hope that much more will be raised from the private sector and the proceeds of future Government asset sales.

The aim of all those investments is for Britain to be a leader of the new green economy, creating jobs, saving energy costs and reducing carbon emissions. We will also introduce incentives to help families reduce their bills. We will introduce a funded renewable heat incentive, and our green deal will encourage home energy efficiency at no up-front cost to homeowners, allowing us to phase out the Warm Front programme.

Overall, the total resource settlement for the Department of Energy and Climate Change will fall by an average 5% a year, but there will be a large increase in capital spending, partly to meet the unavoidable commitments that we have been left on nuclear decommissioning.

The Department for Environment, Food and Rural Affairs will deliver resource savings of an average 8% a year, but we will fund a major improvement in our flood defences and coastal erosion management that will provide better protection for 145,000 homes.

Britain's arts, heritage and sport all have enormous value in their own right, but our rich and varied cultural life is also one of our country's greatest economic assets. The resource budget for the Department for Culture, Media and Sport will come down to £1.1 billion by 2014-15. Administrative costs are being reduced by 41% and 19 quangos will be abolished or reformed. All that is being done so that we can limit four-year reductions to 15% in core programmes such as our national museums, the front-line funding provided to our arts and Sport England's whole sport plans. We will complete the new world-class building extensions for the Tate Gallery and the British Museum. The Secretary of State will provide details of further projects shortly. I can also announce today that, in order for our nation's culture and heritage to remain available to all, we will continue to fund free entry to museums and galleries. There is also ongoing provision of the £9.3 billion of public funding for a safe and successful Olympic and Paralympic games in London in 2012.

We have approached the BBC to ensure that it, too, makes its contribution, as a publicly funded organisation, to savings during the spending review. I am pleased to confirm that this week we have struck a deal. The BBC will take from the Government the responsibility for funding the BBC World Service and BBC Monitor, as well as part-funding S4C. That amounts to some £340 million of savings a year for the Exchequer by 2014-15.

To ensure that the cost of those new obligations is not passed on to the licence fee payer, the BBC has agreed a funding deal for the full duration of its charter review. The licence fee will be frozen for the next six years. That deal helps almost every family, and is equivalent to a 16% saving in the BBC budget over the period, similar to the savings in other major cultural institutions.

The BBC has also agreed to reduce its online spend and make no further encroachments into local media markets in order to protect local newspapers and

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independent local radio and TV. It will contribute to the £530 million that we will spend over the next four years in bringing superfast broadband to rural parts of our country that the private sector will take longer to reach. Pilots will go ahead in the Highlands and Islands, North Yorkshire, Cumbria and Herefordshire. All that will help encourage the growth of our creative industries as a key part of the new economy that we are seeking to build.

After our defence requirements are met, the Department for Transport will receive the largest capital settlement. Over the next four years we will invest more than £30 billion in transport projects—more than was invested during the past four years. Of that, £14 billion will fund maintenance and investment in our railways. Direct bus subsidies will be reduced, but statutory concessionary fares will remain.

The cap on regulated rail fares will rise to RPI plus 3% for the three years from 2012, but that will help this country afford new rolling stock as well as improve passenger conditions. The Secretary of State will set out how more of the transport money will be allocated next week.

However, I want to tell the House today about some of the projects that will go ahead. For let us remember that, even after the tough spending settlements, the country will still be spending more than £700 billion a year. In Yorkshire and Humber, capacity on the M62 will be expanded, £90 million will be spent on improving rail platforms across various towns and cities, and we will also improve line speeds across the Pennines. In the north-east £500 million will be spent on refurbishing the Tyne and Wear metro and the Tees valley bus network. In the north-west we will invest in rail electrification between Manchester, Liverpool, Preston and Blackpool, and we will provide funding for a new suspension bridge over the Mersey at Runcorn.

Rail and roads in Scotland are devolved to the Scottish Executive, and roads in Wales are also devolved, but I can tell the House that major rail investments around Cardiff, Barry and Newport will go ahead.

In the east midlands the M1 and the A46 will be improved. In the west midlands we will extend the Midland metro and completely redevelop Birmingham New Street station. In the south-west we will fund improvements on the M5 and the M4, and the new transport scheme for Weymouth. In the east of England, colleagues will be delighted to know, the A11 to Norwich will be upgraded. Around London, we will widen the M25 between 10 different junctions and complete improvements to the A3 at Hindhead.

In London, on top of the Olympics, a major investment in our capital city's transport infrastructure will take place. Crossrail will go ahead and key tube lines will be upgraded for the 21st century.

That is nothing like the complete list, because next week, we will set out more details. So, yes, we are saving money and putting the state on a more sustainable footing, but even then, we will spend tens of billions of pounds on Britain's future infrastructure. Next week the Secretary of State will also set out our national infrastructure plan, so that private money is put to work in building for this country the economic infrastructure that our businesses need. Our regional growth fund will also help us do that. As promised, £1 billion has been found for the fund over the next two years—money designed to lever in private investment in areas of our country where it has been too absent over the past decade. I can announce today that I am providing close to half a billion pounds extra in the third year for the regional growth fund.

Long-term investment in the capacity of our transport, our science and our green energy will all help move Britain from its decade-long dependence on one sector of the economy in one part of the country, and the ruin to which that has led.

The most important ingredient of a 21st-century economy is well-educated children, who believe in themselves and aspire to a better life, whatever their background or disadvantages. In June, after the Budget, when the Chief Secretary to the Treasury and I turned our attention to how to allocate spending between Departments, we set ourselves a goal. We wanted to see if it was possible, even when spending was being cut, to find more resources for our schools and for the early years education of our children. I can tell the House that we have succeeded. It has meant other Departments taking bigger cuts, but I believe strongly that that is the right choice for our country's future.

There will be a real increase in the money for schools, not just next year or the year after, as the previous Government once promised, but for each of the next four years. The schools budget will rise from £35 billion to £39 billion. Even as pupil numbers greatly increase, we will ensure that the cash funding per pupil does not fall. We will also sweep away all the different ways in which money is ring-fenced so that schools can decide how to spend their money as they think best.

We will also introduce a new £2.5 billion pupil premium, which supports the education of disadvantaged children and will provide a real incentive for good schools to take pupils from poorer backgrounds. That pupil premium is at the heart of the coalition agreement, and at the heart of our commitment to reform, fairness and economic growth.

Parents, teachers and community groups will be supported if they wish to establish free schools. We will fund an increase in places for 16 to 19-year-olds, and raise the participation age to 18 by the end of the Parliament. That enables us to replace education maintenance allowances with more targeted support.

We will also provide support for the early years of our children. The increased entitlement to 15 hours a week free education for all three and four-year-olds that was introduced under this Government will continue. Sure Start services will be protected in cash terms and the programme will be focused on its original purpose. We will help them further by introducing for the very first time 15 free hours of early education and care for all disadvantaged two-year-olds, so that those children have a chance in life and are ready like the rest of their classmates for school.

Overall, the Department for Education will be required to find resource savings of only 1% a year. Central administration will be cut by a third and five quangos will go. The capital budget will, as we know, have to bear its share of the reductions, but as the House knows, we have had to phase out the hopelessly inefficient

and over-committed Building Schools for the Future programme. However, £15.8 billion will be spent to maintain the school estate and to rebuild and refurbish 600 schools. I repeat: the resource money for schools—the money that goes into the classroom—on the broadest definition, including all the main grants, will go up in real terms every year. That is a real investment in the future of our children and in the future growth of our economy too.

Let me conclude. The decisions we have taken today bring sanity to our public finances and stability to our economy. We have dealt decisively with the largest budget deficit this House of Commons has ever had to face outside of wartime. We have had to make choices—choices about the things we support—and today I have announced real increases in the NHS budget and the resources of schools, as well as new investment in the infrastructure of our economy. I have announced real reductions in waste and reforms to welfare and although that will reshape public services to meet the challenges of this time, I think it is the right choice.

I have one final observation. During the process of this spending review, I have received many submissions, including one from the Labour party. It said that the average cut for unprotected Departments should be set at 20% over the coming four years, rather than the 25% that I anticipated in my June Budget. I have examined that proposal carefully and consulted the published documents of my predecessor, the right hon. Member for Edinburgh South West (Mr Darling), and because of our tough but fair decisions to reform welfare and the savings that we have made on debt interest, I am pleased to tell the House that that has been possible. The average savings in departmental budgets will be lower than the previous Government implied in their March Budget. Instead of cuts of 20%, there will be cuts of 19% over the four years, so I thank the Opposition for their support and input and look forward to their votes.

This coalition Government faced the worst economic inheritance in modern history. The debts we were left with threatened every job and public service in the country, but we have put the national interest first. We have made the tough choices. We have protected health and schools and investment in growth, and we have reformed welfare and cut waste. We have made sure that we are all in this together, and we have taken our country back from the brink of bankruptcy. A stronger Britain starts here, and I commend this statement to the House. *[Interruption.]*

Mr Speaker: Order. I call Alan Johnson.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): Mr Speaker—*[Interruption.]*

Mr Speaker: Order. The House needs to calm down. It is getting a little over-excited and there is a long way to go.

Alan Johnson: Mr Speaker, we remember well the cheers at the end of the emergency Budget in June, when the Chancellor finished on a peroration about his Budget being progressive and fair. It took the Institute for Fiscal Studies only 48 hours to show that it was totally unfair, and that the burden of the emergency Budget fell two and half times more on the poorest than on the richest. We have seen today hon. Members cheering the deepest cuts to public spending in living memory. For some Government Members, that is their ideological objective—*[Interruption.]* Not all of them, but for many, that is what they came into politics for—*[Interruption.]*

Mr Speaker: Order. Ms Bray, you are getting quite over-excited. You must calm yourself—and remain calm. It is in your interest and the House's interest.

Alan Johnson: Today is the day that abstract figures and spreadsheets turn into people's futures, people's jobs, people's pensions, people's services and their prospects for the future, and the day when the statistics that were nestling comfortably in the lap of the Chief Secretary yesterday actually become the uncomfortable truth for many people and families throughout this country.

We hear the chant on every occasion, but Government Members are deficit deceivers. They have peddled a whole series of myths to the British public. The most incredible myth of all is that the biggest global economic crisis since the great depression is the fault of the previous Government—*[Interruption.]* You see? The strings are pulled and away they go.

The Chancellor said that the Government have brought Britain back from the brink of bankruptcy. Perhaps he will confirm three facts. Fact No. 1: when the global crisis hit, the UK had the second-lowest debt of any G7 country. Fact No. 2: the previous Government inherited a debt interest level of 10p in every £1 of tax received, and even after a world recession, we bequeathed a figure that was 15% lower. Fact No. 3: the interest rates that the UK pays on its debt have been falling since the beginning of the year. Perhaps the Chancellor, in the interests of accuracy, can confirm those statistics.

When the last comprehensive spending review took place in 2007, the Chancellor was the shadow Chancellor. Was he calling for reduced public spending? Read the *Hansard*. Was he calling for regulation of the banking industry? I have two things to say about 2007. I have read his contribution to the debate. First, instead of arguing for reduced public spending, he argued that we were spending too little. He complained that we were slowing the growth in health and education expenditure. Indeed, the Conservative party supported every penny of our spending plans until well after the collapse of Lehman Brothers in America, which set off the disastrous chain reaction that caused the global recession.

In 2007, far from calling for regulation of the banks, the Conservatives were calling for deregulation of the banks. The right hon. Member for Wokingham (Mr Redwood) produced a report on behalf of the then Leader of the Opposition who had called for greater regulation of the banking industry. We need to get the facts right.

The Chancellor described his emergency Budget in June as being unavoidable and fair. We know that it was unfair, because the IFS produced the statistics with devastating and forensic accuracy a few hours later, and we also know that it was avoidable. The deficit has to be paid down—[Hon. Members: "Ah!"] Here they go again. The Chief Whip's spreadsheet tells them when to stand up and what to say. Where is he? He does not need to move to have influence on his Back Benchers. So we do need to bring the deficit down.

[Alan Johnson]

Today's reckless gamble with people's livelihoods runs the risk of stifling the fragile recovery. The ridiculous analogy with credit card debts insults the intelligence of the British public. If countries around the world had not run up debts—that is what the fiscal deficit is, by the way—to sustain their economies, people would have lost not their credit cards, but lost their jobs, lost their houses and lost their savings. The Liberal Democrats know that, and they argued that when seeking the support of the electorate. The Deputy Prime Minister argued that, and then he discovered Greece. In the period between the ballot box closing and his ministerial car door opening, the Deputy Prime Minister discovered a different approach.

Like us, the Liberal Democrats—every single one of them—were elected to this House on a platform that said, in the context of reducing the deficit, that speed kills. The Chancellor repeats a long list of those who support his swift cuts; he mentions it all the time. Curiously, he failed to mention the other countries in the United Kingdom—Scotland, Wales and Northern Ireland—which do not support these measures. Perhaps that is why he calls himself a one-nation Tory. Here is another supportive quotation that he missed out, and he can take this down and use it in future briefings:

"The measures we have taken have been commended by international bodies such as the European Central Bank, the European Commission, the IMF and the OECD. They have also won the approval of the international markets."

That was the Irish Minister of Finance last December, when he told the Irish Parliament that his austerity plan meant that they had turned the corner. Four months later, they slid back into recession.

The concerns of those watching this announcement today went beyond the misrepresentation of figures and the clever Punch and Judy stuff in which we all engage—including myself at times. They will be interested in whether they will stay in work, whether they will stay in their homes and whether they will stay safe on the streets. We are told that the expected job losses from this spending review—and the Chancellor confirmed it—will be some 490,000. PricewaterhouseCoopers reported last week that 1 million jobs were at stake because the impact on the private sector is just as severe. Is it not the case that at the same time as the Government are throwing people out of work, they are reducing the support to help people return to the workplace?

I applaud the ideas and the efforts of the Secretary of State for Work and Pensions to do what we were seeking to do and make work pay—*[Interruption.]* He often gives credit to what we did when we were in government. The fact is, however, that today's proposals will make it harder for people to return to work because of the changes to working tax credit; because of the changes to support for working parents; and because of the huge increase in fares for those who have to travel to get the jobs. The Secretary of State has had his job made harder by today's announcement.

On housing, the Chancellor has announced the retreat of central Government from any role in building new affordable homes. Can he tell the House how many jobs will be lost in the construction sector as a result of his decision to all but end capital funding for house building? Crime has fallen dramatically in the last 13 years. I heard what the Chancellor said about the report from Her Majesty's inspectorate of constabulary, but the Home Office is not a protected Department. As it deals with counter-terrorism and policing, the public will be worried that they will lose more police on the streets.

Spending has to be reduced—*[Interruption.]* Yes, spending has to be reduced, but the front-line services on which people rely must be protected. We support moves to ring-fence the health budget—[HON. MEMBERS: "Ah!"] The point about the health service is not that its budgets will be protected, it is the taking of £2 billion to £3 billion out of those budgets to pay for a top-down structural reorganisation that the Conservatives told the public in their manifesto would not happen. This is the top-down reorganisation to end all top-down reorganisations, and we are already seeing the loss of jobs in the NHS as a result.

On education, the Chancellor mentioned that the pupil premium would be funded. There are stories already about teachers and teaching assistants losing their jobs as a result of today's announcement. We will have to look at the statistics carefully, including the small print, before we can see what is happening on education. The Chancellor said that they will keep a version of education maintenance allowance. That is good, because it has been the biggest single contributor to lifting the number of children from poorer homes who stay in education—and it was introduced by the Labour Government. He told us that it will be introduced in some form, but he did not say how. Nor did he say what effect the removal of ring fences will have on Sure Start, which is crucially important to ensuring that we have a more progressive society.

On the NHS, we believe that the real-terms increase will be more than swallowed by the cost of the reorganisation. It would be good if the Chancellor could confirm that the baseline for the NHS will exactly reflect its actual budget this year. It seems to us from the statistics that there may be some smoke and mirrors.

Without growth, the job of getting the deficit down becomes impossible. A rising dole queue means a bigger welfare bill and less tax coming in—a cost of at least half a billion pounds for every 100,000 people thrown out of work by the Government's approach. To get the deficit down, the starting point must be jobs, jobs, jobs. That remains the core of the difference between us and the Government. We were told that the Ministry of Justice will see 14,000 jobs cut. Does the Chancellor agree with the Department's assessment that the vast majority of those—11,000—will be from the front line? Can he confirm that £230 million of taxpayers' funds have been earmarked for redundancy costs in that Department alone? What is the total scale of redundancies expected across the public sector? What will the total redundancy bill be? Thanks to the Chief Secretary's gaffe yesterday, we know that the Treasury has provided the Chancellor with estimates: he should share them with the House. Can the Chancellor confirm that the poorest will still bear a greater burden than the richest, with the middle squeezed even further, and that women will shoulder three quarters of the cuts? Does he still claim that these measures are progressive and fair?

There is an alternative approach. The Chancellor finished by suggesting that their cuts were the same as ours—[HON. MEMBERS: "Less."] Less than ours? That is even more utter and complete nonsense, for two reasons.

First, the Conservatives calculated the 20% figure by some very dodgy formulae that stretched the limit of credibility for the protected Departments. Secondly, the Chancellor has not caught up with the fact that we have listed a series of measures with which we agree—for instance, the increase in capital gains tax and the changes to welfare. The Chancellor has not caught up with the statements that we have made about the welfare bill. We will look at the further measures that the Chancellor has announced today, but if we take the statements that we have made into account, we came into this debate with departmental cuts half the level of those that the Government are proposing.

This spending review is not about economic necessity; it is about political choices. The Chancellor argues that Labour would have done nothing about the deficit; he goes on to say that his cuts are no worse than ours. He cannot have it both ways. He cannot be right in both arguments, although he does manage to be wrong on both counts. The difference between us is that the Government are removing almost twice as much from Department budgets, while we were looking for a much more gradual, much slower reduction, which would not stifle the very low levels of growth in our economy. It is our firm belief that the rush to cut the deficit endangers the recovery and reduces the prospects for employment in the short term and for prosperity in the longer term. We believe that we can and should sustain a more gradual reduction, securing growth. I do not believe that the Chancellor or the Prime Minister sufficiently understands the worries and concerns of families up and down this country. Those worries will have multiplied considerably as a result of the Chancellor's statement today.

Mr Osborne: He's a nice guy, but he's in the wrong job. The truth is this: frankly, either member of the Balls family would have done a lot better than that, and they might even have asked me a question or two, but let me try to respond to what he said.

The right hon. Gentleman keeps talking about a plan B, but he has not even got a plan A. There was a complete denial of the fact that this country has the largest budget deficit in the G20. He made no acknowledgement of the fact that the credit rating agencies were looking at this country when he was in the Cabinet and no acknowledgement of the fact that our market interest rates were the same as Spain rather than others. Frankly, he spent half his statement defending the economic policy of the last Labour Prime Minister—who perhaps could have turned up to hear it—but that is totally irrelevant to the questions put before the House today and the proposals that we have set out.

The right hon. Gentleman kept saying, "We want to reduce the deficit." As far as I could tell, he did not agree with a single measure that I set out. He did not propose a single saving. He is a deficit denier, and the truth is this. We have been told for a whole year that we would get Labour's deficit reduction plan. Before the election, let us remember, we were told in the debates, "Don't worry, it'll come after the election." During the leadership contest, we were told that it would come after the leadership contest. After the leadership contest, we were told that it would come before the spending review, and then this morning, a member of the shadow Cabinet said on the radio, "We are not going to do an alternative to the spending review." I then got this message in the Chamber that said that at eight minutes past 1 this afternoon, when the shadow Chancellor was actually in the Chamber, he sent an e-mail to members of the public saying:

"I'm going to be honest with you, being in opposition does mean"

we have to set out "a clear alternative", and he then said, "Please share your thoughts with us." Labour Members were in government until six months ago. They sat round the Cabinet table as the deficit increased. Six months later, they have not put forward a single idea for reducing the budget deficit. It is absolutely pathetic.

Despite the fact that the right hon. Gentleman says that he is relatively new to the subject, he dismisses, with a sweep of the hand, the verdict of the IMF, the OECD, the CBI, the chambers of commerce, the European Commission and everyone else who has looked at the British economy. I do not know whether he saw the letter from 35 leading employers in this country, but they included people such as the leaders of Asda and Microsoft—I know that the business community of this country is totally irrelevant to Labour now—and the person who founded the Carphone Warehouse, who I think used to be a supporter of the Labour party. All those people wrote to the national newspapers saying:

"Addressing the debt problem in a decisive way will improve business and consumer confidence."

If the right hon. Gentleman wants to ignore all those people, what about Tony Blair? There is total silence on the Labour Benches for the man who won Labour three general elections. I think that the right hon. Gentleman was in the Cabinet when Tony Blair was Prime Minister, and he has said:

"The danger now is this: if governments don't tackle deficits, the bill is footed by taxpayers, who fear that big deficits now mean big taxes in the future, the prospect of which reduces confidence, investment and purchasing power. This then increases the risk of prolonged slump".

The right hon. Gentleman used to be a Blairite—*[Interruption.]* Well, at least the right hon. Member for Morley and Outwood (Ed Balls) has been fighting Tony Blair all his career and says he is wrong, but the shadow Chancellor used to be a supporter.

The right hon. Gentleman has dismissed all the leading businesses of Britain, all the international organisations and Tony Blair, but let me answer a couple of his specific questions—*[Interruption.]* Well, to be fair, in the space of about 10 minutes he asked three, so I will answer them. First, he asked about police numbers. Of course this is a challenge for the Home Office, but we believe that with the advice from the inspectorate of constabulary and Tom Winsor's report, there will be no reduction in the availability and visibility of policing. However, the right hon. Gentleman was asked during the election—*[Interruption.]* He was the Home Secretary. *[Interruption.]* The new Leader of the Opposition asks—*[Interruption.]* This is what the man who was Home Secretary before the election said in the election, when he was asked a question on the "Daily Politics" show:

"Can you guarantee if you form...the next government that police numbers won't fall?

Johnson: No".

So what is the basis on which he makes his argument?

[Mr George Osborne]

The right hon. Gentleman talks about the national health service, and he said that he agreed with our decision to ring-fence it. Presumably this is the same shadow Chancellor who said recently, "There is no logic, sense or rationality to this policy." He has done a complete U-turn.

The right hon. Gentleman says that he rejects the minus 20% definition of the Labour cuts. At the same time, he began his statement by praising the Institute for Fiscal Studies, but that number comes from the IFS. He suggests that I have not paid attention to the announcements that he has been making this week. Well, it is true that I have been quite busy, but I have paid attention to what he has said. I understand that not many people got a chance to question him about his policies, but he said that taxes needed to be increased. However, when he was asked which taxes, he said that he was open-minded about it. That is a polite way of saying he hasn't got a clue.

The right hon. Gentleman was once the great force of modernisation in the Labour party, and he has now ended up reading out the policies dreamed up by the new Leader of the Opposition. He said in that press conference earlier this week that being in opposition was not about "pretending to be in government." Now we know how right he was.

Mr Andrew Tyrie (Chichester) (Con): This is undoubtedly one of the most radical and—I think most people in all parts of the House would agree—necessary shake-ups of the public sector, whatever the scale of shake-up people wanted. Personally, I particularly welcome the cull of quangos, the re-examination of the private finance initiative, the efficiency drive in Whitehall, and the announcements on Equitable Life and the BBC. The Select Committee on Treasury will be looking in far greater detail than in the past at the Treasury's decisions, and particularly at the way that it has prioritised between Departments and at the ring-fencing. We will also examine them for fairness. The Chancellor's analysis in the June Budget presented that Budget as progressive. I would be grateful if he could confirm that this CSR is also progressive. I would also be grateful if he could say something about his plans to denationalise the banks.

Mr Osborne: First, let me thank my hon. Friend for the welcome that he gave—to repeat what I said —to what I implied about PFI, the contribution that the BBC will make and the very difficult choice that we all have to make in this Parliament about what is a fair settlement on Equitable Life. In particular, helping the trapped annuitants is an absolute priority and it is a good thing and, as I said, we found three times as much money as John Chadwick recommended.

My hon. Friend raised two particular points. First, he mentioned ring fences, and although we call them ring fences, in the end they are about priorities. We have made a choice. As a coalition Government, we have chosen certain things that we are going to cut—obviously we have made some difficult decisions on welfare—but we have also chosen to spend more money on health care and the resources going into schools. Those are choices, and in the end that is what politics in a democratic country is about. We have made those choices, so I would not regard them particularly as ring fences, more as democratic choices.

Finally, on the distributional impact, we have published distributional analyses in the book that I have published today—my hon. Friend will know that we are the first Government to attempt to do this—and I will very much welcome the Treasury Committee's inquiry on the spending review, which I know he will conduct. We have used the methodology that is used in many other countries to try to allocate the benefit in kind of public expenditure, as well as the direct income effect of some of the benefit changes. We believe that that shows this is broadly progressive, in that the top quintile pays the most and it is broadly flat across the other quintiles. The same is true of some of the annually managed expenditure decisions as well, on which we have also published tables.

I very much welcome the Treasury Select Committee's inquiry and its work on this matter. As I have said, this is the first time the British Treasury has attempted to do this, and we very much welcome the Committee's input.

Several hon. Members *rose—*

Mr Speaker: Order. A very large number of right hon. and hon. Members are seeking to catch my eye, and I would like to accommodate as many of them as possible. I therefore issue my usual exhortation to brevity with particular force. Single supplementary questions, please, and economical replies from the Chancellor of the Exchequer.

Mr Michael Meacher (Oldham West and Royton) (Lab): In cutting the deficit, why did the Chancellor ignore the economic growth dividend, which could yield at least £60 billion in extra Government tax revenues over the next five years? Why did he not tax at all the 1% super-rich, whose wealth has quadrupled over the past decade? And why did he not introduce a major public sector, as well as private sector, jobs and growth programme, which could most effectively cut benefit payments and increase tax revenues?

Mr Osborne: The first thing I would say to the right hon. Gentleman is that we believe strongly, as do the major employers in this country and the people internationally who look at this economy, that dealing with the deficit is essential for sustainable growth. That is what this is all about: putting the British economy and our public finances on a sustainable footing so that we can create jobs in the future and so that the economy can grow.

The right hon. Gentleman talked about taxes on the top 1%. We introduced an increase in capital gains tax, and the truth is that not everyone in my party was particularly happy about it, but Labour had 13 years and all those Budgets in which to do that. The shadow Chancellor now rather lamely says that Labour supports the capital gains tax increase, but I would love to know, when the Cabinet minutes are published in 20 or 30 years' time, whether he ever raised this matter in Cabinet. We took a decision to increase capital gains tax to the higher rate, and last week I published proposals for increasing tax on the very highest pension contributions. That is a £4 billion tax; it was not an easy thing to do, but we have done it. We have also accepted and lived with the previous Government's decision to increase tax to 50%—of course, they introduced that in the last

month they were in office. Again, that was not an easy decision. I am not instinctively in favour of higher marginal tax rates, but it is necessary at a time like this. I am determined that all parts of the income distribution should make a contribution, but that the people at the top of the income distribution should make the most.

Finally, on the disposal of the banks, at the moment we are not in a position to do that, but of course we monitor the situation the whole time and, as and when we can dispose of them, we will. I am very keen to create a more competitive banking sector at the end of this process, which is one of the reasons why we set up the independent commission.

Karen Bradley (Staffordshire Moorlands) (Con): Areas such as Staffordshire Moorlands were neglected by the previous Government. Will the Chancellor tell the House how areas that have been let down by policies such as regionalisation will be helped by the measures announced by this Government?

Mr Osborne: We have much more focused local area partnerships that are going to help areas such as Staffordshire Moorlands, which I suspect were rather neglected by the regional development agency. I assume that such areas were not where the action was in the west midlands, and that the emphasis would have been on the big metropolitan centres. Her town of Leek and the surrounding countryside would, I suspect, have been ignored by the RDA. One of the advantages of local enterprise partnerships—and, indeed, the regional growth fund—is that we can focus on particular areas where we want to get more private sector involvement and create jobs.

Mr David Winnick (Walsall North) (Lab): I witnessed the misery and devastation that occurred in my black country constituency and elsewhere during the Tory years, and all the indications that the Chancellor has given today are that there will be a repeat of that, and that, despite what he has said, the people who will suffer the most will be those on the lowest incomes. This will be a day of tragedy for the British people.

Mr Osborne: The hon. Gentleman is not known for overstatement, but I would say to him that we inherited a situation of rising unemployment, the biggest fall in output in a generation, the biggest banking crisis—thanks to the way in which the previous Government had regulated the banks—and a huge budget deficit. In the next hour—or however long you allow for questions, Mr Speaker—every single Labour Member who gets up should propose an alternative plan. It is very difficult to make choices, but they can attack this plan only if they have an alternative.

Bob Russell (Colchester) (LD): I welcome the Government's commitment to end child poverty—during this Parliament, we hope—which Labour failed miserably to do, but may I draw the Chancellor's attention to what the coalition programme says about rented housing? Hundreds of thousands of families will be adversely affected by the removal or cutting of housing benefit. Will he confirm that local authorities have a statutory duty to house homeless families, and that the cost of bed-and-breakfast accommodation is considerably greater than that of housing benefit?

Mr Osborne: The housing benefit budget has been rising at a very rapid pace and, frankly, anyone doing my job would have to address that bill. We have sought to do that in a way that is fair and that balances the needs of the taxpayer with the needs of those in receipt of housing benefit. There has been a lot of speculation about social tenants, but we are not changing the social tenancy agreements of people in existing social tenancies—[HON. MEMBERS: "Yes you are!"] That is what we are not doing. We are saying that for new tenants we will have to have something more like the market rent. I have to say that that was the policy of the previous Government—

Thomas Docherty (Dunfermline and West Fife) (Lab) *indicated dissent.*

Mr Osborne: But it was the stated policy of the previous Government to increase social rents over time to approach the level of market rents—*[Interruption.]* That was the policy of the previous Government. As I have said, we have tried to do this in a way that protects existing social tenants. It will help to build more social housing, and in the end the Opposition have to ask themselves why they failed so miserably on building social housing.

Stewart Hosie (Dundee East) (SNP): The Chancellor has announced 500,000 job losses and cuts of £81 billion—that is just the cuts, not the tax increases—while giving no detail of how that will be achieved. This will cause huge anxiety among those in the public sector and those who depend on their services, and in the private sector firms that are dependent on public sector contracts. I believe that this is reckless: it cuts too fast and too deep. I have one question today: how can the Chancellor possibly imagine that, after his statement, a real-terms, direct cut to the Scottish block of around £4 billion can do anything other than weaken the ability of Scotland to recover in these difficult economic times?

Mr Osborne: First, we have preserved the Barnett funding arrangements. Secondly, the decisions that we have taken on the national health service and schools budgets in England will help the funding settlement for Scotland. What we are seeking to do, north and south of the border, is to put the United Kingdom's economy on a strong and sustainable footing so that there can be growth in Scotland and in the rest of the country. My final observation is that people are pretty clear, in the House and in Scotland, that if Scotland had been independent over the past three years, given the scale of the banking crisis, it would now look like Iceland.

Robert Halfon (Harlow) (Con): My constituents will welcome this Robin Hood public spending statement, particularly the resources that are going into cold weather payments, apprenticeships and help for young children. Does the Chancellor agree that people would rather have lower taxes and more spending on public services than spend £120 million a day paying off the debt?

Mr Osborne: My hon. Friend is right. This country is spending £120 million a day on debt interest. So all the pet projects that Labour has suddenly discovered—*[Interruption.]* Well, the truth is that the previous Labour Government inherited a golden economic legacy from the Conservatives, but we have been left the worst

[Mr George Osborne]

economic inheritance that any peacetime Government in this country have ever faced. Unfortunately, we have to deal with it, but we are doing that as two parties working together to clean up the mess that one party created. The goal that I have in sight is a more prosperous, sustainable economy and a public finance situation that is deliverable and affordable for the people of Harlow.

Teresa Pearce (Erith and Thamesmead) (Lab): The Chancellor has told us that we can expect 490,000 public sector jobs to go in the next five years, while PricewaterhouseCoopers has made an expert estimate that another 500,000 private sector jobs will go. How does putting out of work 1 million people, who will no longer pay tax and will add to the jobseeker's allowance and housing benefit budgets, cut the deficit and add to growth?

Mr Osborne: I shall make a couple of observations. First, the independent Office for Budget Responsibility—the hon. Lady is, after all, quoting its forecast, so I presume that she would accept its whole forecast—has predicted that unemployment will fall and that more private sector jobs will be created. Secondly, she must accept—even the deficit deniers in the Labour party must accept it, and they admitted it during the general election—that there would have been a reduction in the public sector head count if there had been a Labour Government. I do not know whether the hon. Lady agrees with that—she can shake her head, nod or whatever—but that is the truth. We have had to make some decisions, but there is a high turnover in the public sector anyway, so we hope that much of this can be accommodated by posts not being filled. There will be redundancies—I think the Labour party has accepted that there would have been redundancies under its plan—but we are going to do everything we can to deal with that situation and help those people to find work. In the end, however, the current size of the budget deficit means that we have to deal with this situation, or many, many more jobs would be at risk. Let us remember that this Government came into office with unemployment rising, and that is what we have had to deal with.

Nadhim Zahawi (Stratford-on-Avon) (Con): The shadow Chancellor, although very good at the jokes, demonstrated in his response his confusion about the difference between fiscal and structural deficit. I wondered whether the Chancellor could help by explaining that difference to him.

Mr Speaker: Order. I do not think that we will go with that. With respect, Members must get into the habit of asking questions about the policy of the Government, not about advice to shadow Ministers. Let us get that straight.

Mr Jack Straw (Blackburn) (Lab): The Chancellor of the Exchequer failed to answer the question put by my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson) about the extraordinary 11,000 reduction in the number of front-line probation and prison staff in the Ministry of Justice. Will the Chancellor confirm that this runs completely counter to what the Prime Minister said on 2 May about protecting front-line services, and that, even worse, it can only be a grave gamble with the security and safety of the British public and will eat away at the very successful fight against crime?

Mr Osborne: Obviously, I do not agree with right hon. Gentleman. All Government Departments have had to make savings. Is he really telling me that if his party had been re-elected and he had been in the Cabinet, the Ministry of Justice would somehow have been protected from any reductions?

Mr Straw: Not on this scale, George. You know that.

Mr Osborne: Let me explain a couple of things to the right hon. Gentleman. First, as a member of the Cabinet, he fought the general election on protecting part of the health service, not the whole of it, if I remember correctly. He talked about two years of real increases in school funding, but we are going with four. I think he also made a promise on police numbers, but the then Home Secretary ditched the promise in the middle of the general election. The Ministry of Justice has to make a contribution. The right hon. Gentleman says, "Not on this scale", but over the next four years, the actual reduction in non-protected Departments would have been greater under his Government than under ours because of the decisions we have taken on welfare. The Institute for Fiscal Studies calculated a figure of minus 20%; it is minus 19% in our figures. The Ministry of Justice is, of course, part of one of those non-protected areas.

James Morris (Halesowen and Rowley Regis) (Con): I welcome the Chancellor's statement, and I know that many hard-working people in my constituency will support the welfare reforms he has announced. Does my right hon. Friend agree that the welfare reform proposals made today are vital because the decisions were ducked by the previous Government?

Mr Osborne: My hon. Friend is absolutely right. These decisions are absolutely vital to provide economic stability and to make sure that Britain does not go back to the brink of bankruptcy. What I would say to my hon. Friend and his constituents, many of whom work extremely hard and for long hours to pay their taxes, is that it is not acceptable for those taxes to go into the debt interest that we pay to foreign creditors when we really want the money spent here at home. That is what this is all about—trying to reduce our debt bills and bring some economic stability by reforming a welfare state that, frankly, grew out of control. We have taken the decisions today. If people have alternatives, they can put them on the table.

Mr Clive Betts (Sheffield South East) (Lab): With regard to the new rents at 80% of market rent levels for social housing tenants, when a tenant is out of work, will the rent be covered totally by housing benefit? In that case, is there no new money to pay for social housing? When a tenant is in work or seeking it, will not these new higher rents provide a disincentive to going out to work? Will the rents apply to existing tenants who seek to move home, which would be a disincentive to mobility?

Mr Osborne: We have had to take some difficult decisions on housing benefit, but I think they are fair and we have sought to protect the most vulnerable. Of

course, the universal credit we are introducing means that it will always pay to work—that is the basic principle and housing benefit is part of it. The Secretary of State for Communities and Local Government will set out the reforms in detail. The principles are set out in the document, which the hon. Gentleman can look at. As I said, existing social tenants will be protected through their rent agreements.

Simon Hughes (Bermondsey and Old Southwark) (LD): The Government have rightly taken decisions to deal with the deficit left by the international recession, the banks and the outgoing Labour Government. Can the Chancellor confirm that the policy behind the statement is not just that those with the broadest shoulders should carry the biggest burden, but that as well as children, pensioners and households on the lowest incomes will be protected most, which will be supported by the assessment of the impact of the Budget and the statement he has made and presented today?

Mr Osborne: The poorest suffer when a country loses control of its public finances. That, indeed, was the assessment of the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), and it was one of the few things he said that I agreed with. Constituents on the lowest incomes benefit from a Government trying to deal with this economic problem. The structural deficit—someone asked me about it—is the bit that does not go away when the economy grows. Labour Members seem to be suggesting that in four years' time, a Chancellor of the Exchequer will stand up to announce the next four-year programme of cuts, which would not do this country much good.

Specifically on pensioners, we have of course taken the big decision to link the basic state pension to earnings, and we have protected the pension credit. Yes, there have been some difficult decisions on welfare, but I have sought to protect the most vulnerable, and I believe that our overall welfare reforms will help to provide incentives to many in our country who do not currently have them to seek employment.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): It is very disturbing that this statement simply does not disclose the extent of the cuts being made to transport, although it is clear that there will be a massive increase in both train and bus fares. How can that help economic recovery, including people's ability to get to work?

Mr Osborne: We are spending more on transport projects over the next four years than was spent during the last four years. I have made every effort to prioritise transport spending, which has led to other questions coming down the line. Given that the hon. Lady is a Liverpool MP, I thought she might at least welcome the Mersey Gateway project. I am an MP for the north-west, as is the right hon. Member for Blackburn (Mr Straw), and we have been talking about the Mersey Gateway project for an awful long time. It is going ahead.

Richard Harrington (Watford) (Con): Will my right hon. Friend confirm to me and my constituents that the purpose of today's announcement is to take public expenditure back to 2008 levels, not 1888 levels as some Opposition Members have implied?

Mr Osborne: My hon. Friend is absolutely right.

Naomi Long (Belfast East) (Alliance): Given that Northern Ireland has a great reliance on the public sector, which means that these cuts will hit it pretty hard, when do the Government intend to bring forward their promised proposals to look at rebalancing the economy in Northern Ireland, along with the Northern Ireland Executive?

Mr Osborne: Of course there are difficult decisions today, but because of the decisions we have taken on the English health service and the English education system, Northern Ireland gets a relatively favourable settlement in comparison with some other parts of the country. We have also made the decision today on the Presbyterian Mutual Society and we want to work with the devolved Administration to ensure that people who have had no certainty for a long time can now get it and get some money for the savings they have lost. I promise the hon. Lady that my right hon. Friend the Secretary of State for Northern Ireland regularly raises with me issues about growth and investment in Northern Ireland. As I am sure the hon. Lady knows, he has lots of ideas for stimulating economic activity, and I believe he is going to bring forward his proposals later this year. We will all be able to participate in the debate about them at that time.

Ms Louise Bagshawe (Corby) (Con): Does my right hon. Friend share my joy at the shadow Chancellor's admission that the deficit must be reduced, and my mystification that he is apparently so bereft of ideas that today he sent an e-mail asking for "Answers on a postcard, please"?

Mr Speaker: Order. I must ask for a very brief reply. I hope that the message will be received.

Mr Osborne: I agree with my hon. Friend.

Liz Kendall (Leicester West) (Lab): Cutting funds for local councils by 28.4% over four years will decimate services in Leicester West, and allowing councils to borrow against business rates will further widen inequalities, as areas with more private businesses can borrow more to improve services. Can the Chancellor explain to me, and to my constituents, how that is fair?

Mr Osborne: I am sorry that the hon. Lady is opposed to more freedom for local government—*[Interruption.]* Well, that is what my increment financing proposal means. Along with our other decisions about grants, it means more freedom for local government. As I have said, this is a challenging settlement for local government. *[Interruption.]* Let me repeat that the Labour party created the budget deficit, and if the Labour party does not have a plan, it is in no position to criticise those who are trying to sort out this mess.

Tony Baldry (Banbury) (Con): Do not an increase in the number of adult apprenticeships, commitment to the digital economy through the rolling out of universal super-fast broadband, investment in the green investment bank, protection for the science budget and the encouragement of green-collar jobs demonstrate the coalition Government's belief, with every fibre of our

[Tony Baldry]

being, that the only way forward for the country is a private sector-led recovery which will generate real wealth and real, new jobs for the 21st century?

Mr Osborne: Of course I agree with my hon. Friend. We made every effort to protect the science budget—that was one of the things that we strained to achieve—and if the efficiency proposals in the Wakeham report are implemented, that will lead to a real increase in scientific output. We have also been able to confirm the synchrotron project in Oxfordshire. Although Oxfordshire is extremely well-represented in the Cabinet, it is unfortunately not one of the counties that will benefit from a super-fast broadband pilot, but I hope that if the pilots are successful we will be able to roll them out in other rural parts of England, including the Banbury constituency.

Hazel Blears (Salford and Eccles) (Lab): According to the independent organisation New Philanthropy Capital, the massive cuts of nearly 30% in local councils' budgets over the next four years will mean cuts of between £3.2 billion and £5.1 billion in charitable and voluntary bodies which provide essential services for many of the most vulnerable people in our communities. What action will the Chancellor take to ensure that the Prime Minister's much-vaunted big society does not end up smaller and weaker, and leave thousands of the most vulnerable citizens at risk?

Mr Osborne: As I mentioned early in my speech, we have provided some additional resources for the voluntary sector through the transition fund. As for the local government settlement, I said that it was challenging. The right hon. Lady, who used to be a member of the Cabinet, is well aware that some difficult decisions were required to reduce the deficit. If there are other areas of Government spending that she would have preferred me to cut more, she can tell me what they are, but she did not volunteer any in her question.

Jesse Norman (Hereford and South Herefordshire) (Con): May I say, on behalf of not merely the people of Herefordshire but people in rural counties everywhere, how thrilled I am about the new super-fast broadband pilot? That is magnificent news. May I also ask the Chancellor whether it made a difference that the previous fundamental savings review had not been implemented when he came to see the problem face to face?

Mr Osborne: It did make a difference, and I found in the Treasury absolutely no plans to reduce the budget deficit. They were pencilled into the March Budget, which Labour Members all cheered at the time, but absolutely no plans were put in place.

I am delighted that we have been able to help Herefordshire in this way. It is one of the most rural parts of England, and I think that super-fast broadband is key to the future of the rural economy.

Sammy Wilson (East Antrim) (DUP): We understand the economic mess that the coalition Government have inherited and the problems that it presents, but the spending review represents a huge gamble with people's jobs, with economic growth and with public welfare. I suppose we all hope that it pays off.

How does the fact that capital expenditure will fall by 40% over the next four years in an already fragile Northern Ireland economy sit with the promise from the Secretary of State for Northern Ireland only last week that the investment programme would be protected? What assessment has the Chancellor made of the impact on his desire, and that of the Northern Ireland Executive, to rebalance the Northern Ireland economy?

Mr Osborne: Let me say first that the biggest gamble that the country could have taken in the current world environment would have been not to set out a credible plan to reduce the budget deficit. If we had not set out that plan and made our decisions, we really would have been in the firing line. Secondly, the capital spending cuts that I have—unfortunately—announced today are less than those proposed in the Labour Government's plan, because of the increase in the capital envelope that I announced. That does make them particularly easy, but I have sought to prioritise infrastructure investments, and if there are good projects in Northern Ireland we can work on them with the devolved Administration. This is, of course, an area of devolved responsibility.

Finally, let me say that one of the absolute priorities of my right hon. Friend the Secretary of State for Northern Ireland, after security, is enabling the economy to grow and a private sector recovery to take place in Northern Ireland. I am sure it will be possible to arrange, some time later this year, an opportunity for us all to get together—the representatives in Northern Ireland, the Secretary of State and I—to discuss what we can do to help Northern Ireland see that private sector job growth.

Nick de Bois (Enfield North) (Con): While I greatly welcome today's announcement, my constituents—particularly my younger constituents, who live in an area where there is one of the highest levels of youth unemployment—would be keen to know what specific measures will be taken to support apprenticeships, thus enhancing their chances for the future.

Mr Osborne: We have already announced a record investment in apprenticeships, and many tens of thousands of additional apprenticeships. That is because of the difficult decisions that we made elsewhere in the Budget, and I think it shows that we are investing in the skills that our economy needs for the future.

Mr Andrew Love (Edmonton) (Lab/Co-op): The Chancellor has announced the loss of 490,000 jobs in the public sector, and has not challenged the forecast by PricewaterhouseCoopers that 500,000 jobs will be lost in the private sector as a consequence. What estimate has he made of the number of jobs that will be lost in the construction sector, in view of what was said by my hon. Friend the Member for Sheffield South East (Mr Betts) about cuts in funds for social housing? Given the accepted sluggishness of the private sector recovery in the economy, will we not see significant increases in overall unemployment in the next year?

Mr Osborne: The hon. Gentleman, who is a member of the Treasury Committee, knows that the budget deficit was threatening the economic stability of the country. He also knows that his party proposed to eliminate the structural deficit over a slightly longer

period than we propose. That, however, would not have reduced the scale of the cuts; it would merely have prolonged them. A structural deficit is a deficit that does not return when the economy grows. That is the definition of a structural deficit.

We are investing in road projects, and in housing projects: we are providing 150,000 new homes. The hon. Gentleman probably has not had time to study the document, but the capital cuts that have been set out today are less than the capital cuts in the March Budget presented by the Labour party.

Gavin Williamson (South Staffordshire) (Con): Will my right hon. Friend assure the House that, unlike the Labour party, which abandoned Prudence after two years of government and pursued the policies of economic recklessness, he will continue to hold Prudence close to his heart to ensure that we have long-term stability and growth?

Mr Osborne: I can assure my hon. Friend that I am planning a long-term relationship with Prudence.

Mark Durkan (Foyle) (SDLP): Can the Chancellor assure us that the green investment bank will be active and accessible to all regions, including Northern Ireland, and that relevant projects will not be disqualified by virtue of having a cross-border character? That would be entirely appropriate, given our market and environmental context.

Mr Osborne: In my statement, I set aside £1 billion of direct Government funding for the green investment bank. That will, I hope, be the minimum sum. I also want to dispose of certain Government assets and put the money from those sales into the bank, but I wanted to provide a minimum of £1 billion in case those asset sales took longer to realise than we hoped. I also want to lever in private sector investment so that the bank is a very successful vehicle for helping all parts of the United Kingdom invest in green energy. I am very happy to consider the case for cross-border projects because, obviously, the economies of Ireland and Northern Ireland are very closely linked, and I will come back to the hon. Gentleman on that specific point.

Sarah Newton (Truro and Falmouth) (Con): We have inherited a social care funding system that is just not fit for purpose and that lets down tens of thousands of the most vulnerable people in our society. I greatly welcome the extra £2 billion of funding while we establish a new and reformed system. When will details of the extra funds be made available?

Mr Osborne: There are details in the book we have published today, and we will set out more details in the coming days. Also, we are, of course, waiting for Andrew Dilnot's report into social care. We have tried to address a long-established problem that we are all aware of in our constituencies: the wall that is sometimes there between the health service and the local authority. Given the challenging nature of the settlement, I was conscious that social care might be affected, which is why I found the additional £2 billion for it.

Phil Wilson (Sedgefield) (Lab): The Chancellor said in his statement that he would like the country to be able to afford new rolling stock. Can he say what that means for the intercity express programme, considering both that if it does go ahead it will create hundreds of jobs in my constituency and thousands more in the north-east of England, and that no public sector money will be required until after the next election?

Mr Osborne: I am very aware of that project. If the hon. Gentleman will bear with me, the Secretary of State for Transport will make an announcement on it shortly.

Stephen Williams (Bristol West) (LD): The Chancellor said that fairness was one of the objectives of his statement. I grew up in poverty—in fact, I was on free school meals—and one of my ideological objectives in politics is to deliver social mobility, so will the Chancellor confirm that the £7.5 billion of extra investment he has announced today is the biggest part of the CSR and will help unlock potential in some of the poorest families in the country?

Mr Osborne: My hon. Friend brings a life experience to bear on this debate. The two biggest settlements have been for health and education. In education, we have particularly prioritised disadvantaged children, primarily those on free school meals. At the heart of the coalition agreement was the commitment to a £2.5 billion pupil premium. We have found that money on top of the flat cash settlement per pupil, even when pupil numbers are rising. It leads to a real increase in resource in schools—over four years, rather than the two years that the Labour party was offering at the general election. We are also offering for the first time 15 hours of free education for all disadvantaged two-year-olds, which will of course include those on free school meals. That offers a real chance to ensure that other people on free school meals have as successful a career as my hon. Friend.

Joan Ruddock (Lewisham, Deptford) (Lab): The Chancellor said that he will replace the education maintenance allowance with more targeted support. Can he tell me and the thousands of families in Lewisham who will be affected what could be more targeted than £30 into the pocket of a family who are bearing the extra burden of keeping a teenager at school?

Mr Osborne: We looked very carefully at this programme, and it has a very high dead weight. We are raising the compulsory participation age to 18 and funding that—one of the policy's original stated purposes was to get people to stay on after 16—and we will introduce a more targeted scheme, so there will be help. I have to say that we conducted a public consultation over the summer, and we received 100,000 responses, many from parents and children in receipt of EMA. It was one of the most prominent issues raised, and the overwhelming view of the responses was that it was not a well-targeted support. That has certainly been my experience from those in some of the schools that I have visited. We are looking for a more targeted payment that actually helps those whom this financial incentive would really encourage to stay on in education.

Mr Rob Wilson (Reading East) (Con): I welcome the Chancellor's commitment to protecting the science budget and his comments on Lord Browne's review of university and student funding, but does he agree with me—and, apparently, the new shadow Chancellor—that the problem with a graduate tax is that the money goes straight to the Treasury and not to the universities?

Mr Osborne: My hon. Friend is absolutely right, and he has considerable experience in this area. The problem with the graduate tax, which we honestly looked at and honestly considered—*[Interruption.]* Actually, an enormous amount of work was done in looking at the feasibility of the graduate tax, some of it by the previous Government: the shadow Chancellor was the higher education Minister who ruled out a graduate tax, and under the previous Government the education Department published a paper about why it would not work. As I have said, we looked at this idea carefully—we approached it in a genuinely open-minded way—but there were many disadvantages to it. One of them was that it would represent a massive centralisation of the university system with, basically, the Treasury controlling, almost to the last pound, how much different universities would get. That is why, as I understand it, the Russell group of universities—for a start—are completely against it.

Sir Stuart Bell (Middlesbrough) (Lab): On the Prime Minister's statement which the Chancellor confirmed, the House will welcome the facts that the science budget is safeguarded, that the adult apprenticeship scheme will be advanced, and that £500 million will go into the Tyne and Wear metro and the Tees valley bus network.

Following on from the questions of my hon. Friends the Members for Erith and Thamesmead (Teresa Pearce) and for Leicester West (Liz Kendall), since the Chancellor places so much emphasis on fairness, how can it be fair to make 490,000 people unemployed in the public sector and a putative further 500,000 in the private sector? How can that be a sensible policy for growth?

Mr Osborne: That is, quite frankly, a deliberate misrepresentation of the number, which was produced independently. The number is for the reduction in the public sector head-count over four years. As I have said, there will be redundancies, but there will also be posts that go unfilled. The plan set forward by the Labour party also involved a reduction in the head-count of hundreds of thousands; the Leader of the Opposition admitted that on a number of occasions during both the general election and his party's leadership contest. We have all got to face up to this challenge, but I should point out that the same organisation that produced the number that the hon. Member for Middlesbrough (Sir Stuart Bell) cites—the Office for Budget Responsibility—also forecasts falling unemployment through to 2014.

Andrew Percy (Brigg and Goole) (Con): I welcome the commitment to infrastructure funding for Yorkshire and Humber, which follows the announcement on the review of the Humber bridge tolls two weeks ago. I also welcome the commitment to offshore wind energy. Just last week in North Lincolnshire, Labour and Conservative councillors voted through an offshore wind development at the South Humber gateway, which has the potential to bring 5,000 jobs to the region. However, that is now in jeopardy because Natural England is requesting that it be called in for a public inquiry, with the risk that the jobs will go to mainland Europe. Given the commitment to offshore wind, will the Chancellor have a quiet word with the Secretary of State for Communities and Local Government and encourage him to reject that application for a public inquiry?

Mr Osborne: I think that I would get myself into a lot of legal hot water if I were to do that, but let me make a couple of observations. First, all involved in planning decisions, whether at local, area or national level, should take into account the need for the economic investment that the British economy must have over the coming years and give that due consideration. Secondly, we have found additional money for offshore wind technology investment, including manufacturing at port sites, which was one of the issues the trade unions raised with me as a particular priority. Finally, both my hon. Friend and our hon. Friend the Member for Beverley and Holderness (Mr Stuart) have been very persistent in asking for a Treasury review of the Humber bridge tolls—in which no doubt the shadow Chancellor takes an interest, too—and there will be a Treasury-led review of the tolls, but I am not going to prejudge its outcome.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): The Department for International Development operates within my constituency, and many people will welcome today's commitment by the Government to spend 0.7% of GDP on international development. However, can the Chancellor tell me how much of that budget will be assigned to works previously delivered and paid for by other Government Departments, agencies and non-departmental public bodies?

Mr Osborne: There is a very substantial increase, of about 37%, in DFID's budget. There are parts of international development work that the Foreign and Commonwealth Office carries out too—conflict stabilisation and the like. It is, of course, perfectly within the rules set on the UN commitment, which are internationally policed and so we cannot fudge them, and perfectly reasonable to count that expenditure towards the 0.7% target. However, the large bulk will be delivered through DFID, whose budget has a substantial increase. I suggest that it is a task for this House—all parties—to ensure that that development aid is well spent on the poorest people and on conflict prevention.

Andrew Bridgen (North West Leicestershire) (Con): Does my right hon. Friend agree that the reason why the previous Labour Government failed to hold a spending review was because they bottled their responsibilities? Does he also agree that Labour Members are still running away from those now and that the cuts that we are seeing are no more than the butcher's bill for 13 years of Labour profligacy and waste?

Mr Osborne: I completely agree with my hon. Friend. It is striking that in all the responses and everything that we have heard today from Labour Front Benchers and Back Benchers there has not been a single positive proposal as to how to reduce the deficit that they all sat there and allowed to grow.

Simon Danczuk (Rochdale) (Lab): What will the increase in train fares do to get people out of their cars and on to the trains?

Mr Osborne: What I would say to the hon. Gentleman is that, again, we have to take a realistic decision about investment in our railways. We are going to invest £14 billion in them and we also want to invest in new rolling stock, on which I was asked a question by the

hon. Member for Sedgefield (Phil Wilson), who has now left his place. That has required a tough decision on rail fares, but I hope that passengers will at least understand that if we want investment in rail stock we have to be able to afford it, and the people who use the rail stock should make a contribution to that.

Sajid Javid (Bromsgrove) (Con): I welcome the bold and powerful statement that my right hon. Friend has made today and, in particular, the efforts to protect the most vulnerable. Does he agree that the biggest risk to our economy would have been to have done nothing at all, as advocated by most Labour Members, and that the action that he has taken today will do the most to restore economic confidence to our economy?

Mr Osborne: I agree with my hon. Friend. Whoever won the general election—whoever formed the Government—was going to have to come to the House of Commons to set out a plan for reducing the highest budget deficit in our peacetime history; the deficit is considerably higher than it was when Denis Healey had to go to the International Monetary Fund. We have set out those proposals, and I believe that they will deliver certainty and stability going forward. The market interest rates for British businesses and British families are already lower as a result of the decisions that we have taken since coming into office. As for the decisions that we have announced today, I have noted that not a single Labour Member has asked me about the increase in the child tax credit, which will help 4 million families.

Caroline Lucas (Brighton, Pavilion) (Green): I am not sure how the Government can claim to be the greenest ever when it is estimated that Department of Energy and Climate Change and Department for Environment, Food and Rural Affairs funding combined will reduce by 47% in real terms over the next four years. However, my question is this: should the Chancellor not do more than just hope that the private sector will fill the huge gap between the £1 billion he has set aside for the green investment bank and the £4 billion to £6 billion that Ernst and Young says is the minimum required? He said that he would try to find a bit more through the sale of assets, but how much does he imagine that will fund as well?

Mr Osborne: There is commitment, even in these difficult times, to a carbon capture and storage demonstration, to the development of offshore wind technology and manufacturing at port sites, and to a renewable heat incentive. On the green investment bank, it would have been easy to say, in my position, "Let's wait to see whether we can get some Government asset sales and some private sector money; just create the body and hope it gets the funding." I wanted to provide a back-stop and I have done so today by making available £1 billion from general Government expenditure. However, I also want to see substantial Government asset sales go into the green investment bank and to lever in some private sector money, so that it is a multi-billion pound force for investment in our country.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I congratulate the Chancellor and the Chief Secretary to the Treasury on this spending review. Delivering investment in 21st-century infrastructure will be welcomed by my constituents, as will the spending to protect the post office network and, most importantly for us, to deal with coastal erosion. Does he agree that it is the coalition Government who are making the difficult and politically courageous spending decisions? That has also been reflected today in the European Parliament, where Conservative MEPs voted to reduce the European Union budget, unlike Labour MEPs, who did not take that opportunity and instead also voted for tax-raising powers for the EU.

Mr Osborne: My hon. Friend tells me something that I did not know, which is that the behaviour of Labour MEPs is completely inconsistent with the message from their party that it is serious about trying to reduce Britain's budget deficit. The money that we have found for flood and coastal defences totals about £2 billion and will help 145,000 households. Obviously, the relevant Secretary of State will make the announcements about the different tranches that will now go ahead, and I wish Suffolk Coastal every success.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): This is further to the question asked by my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Mr McCann) and refers to the Chancellor's use of the words "conflict resolution", which strangely were also used several times by the Prime Minister yesterday in the context of a statement on defence expenditure. It also recalls the episode of the Pergau dam. Can the Chancellor give us an absolute assurance that ring-fenced funding for overseas aid will not find its way into defence commitments and will be used for the purposes outlined in the millennium development goals?

Mr Osborne: Let me say to the right hon. Gentleman that, first, the 0.7% target is internationally monitored and so, having said we are going to hit it, we obviously do not want to find the international bodies saying that we have badged overseas aid in the wrong way. *[Interruption.]* May I say to the hon. Member for Brent North (Barry Gardiner) that we have increased the international aid budget by almost £4 billion today? I understand that lots of Labour Members, and indeed Members on this side of the House, want to ask questions about specific difficult decisions that we have taken, but to quibble about the massive 37% increase in DFID's budget is a little unfair. We have made a decision as a House of Commons to hit the 0.7% target, as internationally observed—all parties were committed to this in the general election—which we have to understand has consequences in Government budgets elsewhere. That involves a substantial increase in the international development budget. We are funding very specific projects on malaria, maternal health and the like, and as a country we should be proud and tell the world about our commitment, rather than suggest that the rules will be fudged when they cannot be because they are internationally policed.

Mr Aidan Burley (Cannock Chase) (Con): Will my right hon. Friend take this opportunity to nail, once and for all, the lie perpetuated by many Labour Members that the international banking crisis is in some way completely responsible for the budget deficit, given that, in reality, the figures show that just £40 billion of the total £667 billion spent by Government last year went to prop up the banks?

Mr Osborne: If my hon. Friend has not yet had the opportunity to do so, he should look at chart 1.1 in the book produced by the Treasury, which shows that a structural deficit was emerging throughout the past decade and that that made Britain particularly ill-prepared for what happened in our banks. Of course, the poor regulation of our banking system meant that this country was probably affected more than any other, except for Iceland and perhaps Ireland. We are trying to sort that out, by addressing not only the public finances, but the regulation of the banks. As I say, if we had fixed the roof when the sun was shining, we would have been in a better condition to deal with the storms.

Jeremy Corbyn (Islington North) (Lab): The Chancellor will be aware that housing is the biggest and most serious problem facing people in my constituency, because of overcrowding and a shortage of social housing. His proposals in July to cap housing benefit render at risk the lives of many people living in private rented accommodation, where the rent is paid by housing benefit, and his proposals now to have two tiers of council tenure do not sit very well, because one tenant will be living in secure accommodation on a fixed rent of about £100 a week whereas their next-door neighbour, because of an accident of dates, will be paying at least twice that in rent and will have no security of tenure. How does that fit with the notion that we are all in it together?

Mr Osborne: There is a problem in social housing, but frankly the party that the hon. Gentleman supported in this House—on and off—for 13 years did absolutely nothing to address it. We are trying to reform social housing provision so that more homes are built and so that there is more availability of socially rented properties, unlike the fall that we have seen recently. He talks about his constituents and he must ask himself—I certainly confronted this—whether it was fair to ask the people of his constituency who go out to work to fund housing benefit bills of £50,000, £60,000 or £70,000 a year. That is totally unaffordable to the working people of Islington. We have introduced what I think is a perfectly reasonable rule that the average family out of work should not get more in benefits than the average family earns in work. I find it difficult to see how people could object to that.

Andrea Leadsom (South Northamptonshire) (Con): Does my right hon. Friend agree that in this country the key to our economic recovery will be the development and growth of new small and medium-sized enterprises? More people are employed in SMEs in this country than in any other sector. Does he also agree that in order to get SMEs up and running, it will be key that they have better funding, and that we remove barriers to entry for new providers to get funding to new SMEs?

Mr Osborne: I did not mention in my speech that we are funding the enterprise finance guarantee scheme to help small businesses get access to credit. In the Budget I also stopped the increase in the small companies tax rate that was going to take place under the previous Government. We want to help the small businesses and medium-sized enterprises that are the engine room of our private sector economy. I hope that some of the transport infrastructure, which is something that businesses often raise with us, set out today will help.

Several hon. Members *rose*—

Mr Speaker: Order. This statement can run for only a few more minutes, so some people will be disappointed, but I reiterate the appeal for short questions. Help yourself and help others in the process.

Natascha Engel (North East Derbyshire) (Lab): The Chancellor has announced a cut of 490,000 jobs in the public sector. Whichever way he slices it, that still means that even after four years and even if it is down to natural wastage there will be 490,000 jobs in the public sector that are lost to the economy. He also wants to move people off benefit and into work to save on the welfare budget. How does he make this add up? Where are the jobs coming from that the people who are now on welfare—

Mr Speaker: Order. We are grateful, but I think we have the thrust of it.

Mr Osborne: First, to put it in context, close to 200,000 jobs have been created in the last three months. Secondly, the Labour party's plans involved a head-count reduction of more than 400,000. It was accepted by Labour politicians during the election that there would be a head-count reduction and that there would be redundancies. This is what happens when a country loses control of its public finances. If we had been better managed over recent years—if the people doing my job before me had managed to avoid this record budget deficit, which is the largest in the G20—*[Interruption.]* Opposition Members keep saying that this is all to do with the international situation. They have not yet managed to explain to me why we were the worst affected in that international situation. We have to take some difficult decisions, but it will help if private sector recovery helps to create jobs. The number that the hon. Lady keeps using is a number from an independent body—the Office for Budget Responsibility—that she presumably regards as credible, since she is quoting it, but the OBR also forecast falling unemployment over the period. She cannot really use one forecast from the body and not the other.

Mary Macleod (Brentford and Isleworth) (Con): When my right hon. Friend met the IMF and World Bank officials in Washington recently, did they agree with his approach on reform, fairness and growth, which he has presented today, or did they suggest something else, like the Opposition have?

Mr Osborne: They said very clearly in their article IV assessment of the British economy that the measures we had taken were essential for fiscal sustainability. They do not always say that kind of thing about economies—last year, they criticised the previous Government's economic plans. To be honest with my hon. Friend, I did not share all my detailed budget plans with the IMF; I thought I would share them with the House of Commons first.

Jim Shannon (Strangford) (DUP): In the statement, the Chancellor did not mention additions to tax credits at any stage. One of the anomalies before the statement was made was, I understand, that people on an income of £45,000 would be penalised in their tax credits whereas those who had two incomes coming into their house, perhaps totalling £80,000, would not be penalised. That money is not cappuccino and cupcake money—it is for education and clothing for their children and for the mortgage. What steps will the Chancellor take to help those people?

Mr Osborne: I think the hon. Gentleman is referring to child benefit, and it has clearly been a difficult decision to remove child benefit from families where there is a higher rate taxpayer. It raises £2.5 billion. It is interesting to note that, although it was the first issue raised by the Leader of the Opposition at Prime Minister's questions last week, not a single Labour MP has mentioned it. I think they are beginning to realise that making this their priority for public spending is probably a mistake. I understand that it is a difficult decision, but I have to try to make this fair. These higher rate taxpayers represent the top 20% of earners and the decisions that I have taken have tried to make this fair across the income distribution.

Paul Uppal (Wolverhampton South West) (Con): It is often said of the last Labour Government that although talk is cheap, the consequences of their actions were very expensive. Does the Chancellor agree that the sentiment of the spending review is not about cuts but about responsibility and the financial responsibility that we bequeath to our children and our grandchildren?

Mr Osborne: My hon. Friend makes a very good point. We have talked a lot about fairness and about fairness across the income distribution, but there is also a fairness between generations. If we do not deal with these debts and do not have a credible plan, it will be our children and grandchildren who are saddled with the debts that we were not prepared to pay. I think that is very unfair.

Mr David Lammy (Tottenham) (Lab): The Chancellor describes the cuts to local government as challenging, but will he clarify whether cuts to the area cost adjustment and to specific grants mean that cuts to local authorities could be up to 35%? Both those grants are based on deprivation. How does he reconcile that with his obligations on child poverty?

Mr Osborne: The right hon. Gentleman is obviously—I do not hold this against him—a centraliser rather than a localiser. He would like all these decisions to be taken by people doing my job and directed to elected local councils through grants. We take a different approach. We are sweeping away a lot of these grants. I have to say however—I am sure that this will be of interest to people in his constituency, as I know something of the nature of it—that the increase in the child tax credit will help. We have also, at the insistence of the Secretary of State for Communities and Local Government, put a great deal of resources into the Supporting People programme, which is particularly important in areas such as that represented by the right hon. Gentleman.

David Rutley (Macclesfield) (Con): Does the Chancellor agree that the investments spelled out today in the regional growth fund will go a long way to help underpin growth and private sector jobs in the north-west, which we both represent?

Mr Osborne: As my hon. Friend is my local MP, I had better agree with him. His predecessor—people will remember the former Member for Macclesfield—was passionate about supporting manufacturing and I am glad that the torch has been passed to a new generation there. My hon. Friend is right. We need to see a private sector recovery and we need to see growth and investment in the north-west of England. We want to get away from the economy that we have seen over the past 10 years, where all the growth was focused on one sector and where, from memory, for every 10 jobs created in the south-east of England by the private sector one job was created in the midlands and the north. That is not a sustainable economic model.

Derek Twigg (Halton) (Lab): I was grateful to hear the announcement from the Chancellor about the Mersey Gateway, which has all-party support. However, he knows that it must have funding to ensure that it can go ahead. Will he set out today, given that he is a local MP, what funding is allocated for the Mersey Gateway project?

Mr Osborne: I do not have the exact number to hand, but I shall give it to the hon. Gentleman this afternoon. We are funding the project as it was set out. I know the chief executive of Halton borough council because he used to be the chief executive of my local borough council. I have discussed it with him and I hope to have further discussions to ensure that the bridge is built and that the private investment linked to the bridge comes in. I shall give the hon. Gentleman the exact number later today.

Alec Shelbrooke (Elmet and Rothwell) (Con): May I thank the Chancellor for taking the decision to give to Equitable Life more than three times the amount that was recommended in the Chadwick report? Will he describe to the House and to my constituents what settlement he thinks that the Equitable Life policyholders might have got if the Opposition were still in government?

Mr Osborne: We know the answer to that because they had 13 years to address the problem and gave absolutely nothing. They then set up Sir John Chadwick's report and, although I thank him for it, I do not agree with its conclusions. I strongly suspect that if Labour had won the election, they would have agreed with his conclusions, which would have meant just a third of the money that I have set out today for Equitable Life policyholders. We are helping policyholders across the piece, but our particular priority has been the trapped annuitants, whom we will fully compensate.

Lilian Greenwood (Nottingham South) (Lab): The Chancellor has confirmed that almost half a million public sector jobs will go under his plan, and PricewaterhouseCoopers estimates that another half a million will go in the private sector. Will he explain how adding a million people to the dole so that they are paying no taxes will bring down the deficit and help our economy to grow?

Mr Osborne: Let me explain it to the hon. Lady. This country has the largest Budget deficit in the G20. If we do not address that, there will be economic ruin for this country, so we are addressing it. The reduction in the public sector head-count will take place over four years. This economy created 200,000 jobs in the last three months and part of the head-count reduction will happen through turnover. The last time I checked, Labour were still committed to eliminating the structural deficit—they just would have taken longer over it—so the job losses and the head-count reduction would have been prolonged. I do not think that is right for this country.

Mr Robert Buckland (South Swindon) (Con): As a fellow one-nation Conservative, does my right hon. Friend agree that today's announcement has been driven not by some ideological crusade, as the Labour party has suggested, but by a genuine desire to spend more Government revenue on public services and less on servicing Labour's debt?

Mr Osborne: My hon. Friend is absolutely right. Of course, we have made choices today. First, we have chosen to seek to reduce debt interest by going faster than the Labour party would have done. I think it is better to spend the money here rather than to give it to our foreign creditors. Secondly, we have chosen to put particular emphasis on trying to reduce the welfare bills. That has enabled us to increase investment in the NHS, schools and early-years provision, which we were discussing earlier. That is true to the values of one-nation conservatism and to the values of this coalition.

Barry Gardiner (Brent North) (Lab): I welcome the Chancellor's decision to honour the previous Government's commitment to contribute 0.7% of gross domestic product to international development, but I would like absolute transparency on this. How much of the money that was previously allocated in the Defence and Foreign and Commonwealth Office budgets is now going to be covered by the Department for International Development's budget?

Mr Osborne: Let me make two points. First, there is an increase of almost £4 billion in the DFID budget. Secondly, having a tri-departmental fund for DFID, the Ministry of Defence and the Foreign Office will help with conflict and supporting post-conflict stabilisation. It will grow from £229 million this year to £309 million in 2014-15 – a growth of just short of £100 million. That will help us to avoid having to come into emergency situations, but it is, of course, pretty small given the scale of the increase that I have just announced in DFID's budget.

Several hon. Members *rose—*

Mr Speaker: Order. I am sorry to disappoint colleagues, but we have had a marathon session. I am grateful to the Chancellor and colleagues for their co-operation, but we must move on.

Points of Order

3.3 pm

Thomas Docherty (Dunfermline and West Fife) (Lab): On a point of order, Mr Speaker. You have been very generous in the amount of time that you have given today, but many Members on both sides of the House did not have copies of the Chancellor's statement after he sat down. It seems that the Vote Office did not have sufficient papers or that the Treasury did not give it enough. Could you ensure that in future the Chancellor makes sure that the Vote Office is given ample copies of such statements so that hon. Members can scrutinise them?

Mr Speaker: The point is noted by the Chair and I feel sure that it will be noted by those on the Treasury Bench. We are doubly grateful to the hon. Gentleman.

Mr David Anderson (Blaydon) (Lab): On a point of order, Mr Speaker. In response to my question in Prime Minister's questions, the Prime Minister said that I mentioned the British Chambers of Commerce, but I did not. I referred specifically to a report from the North East chamber of commerce, which said that 17,000 jobs in the construction industry were at risk. I am the first to admit that my accent is not always the easiest to understand, but I am also sure that the Prime Minister was not misleading the House. Can you advise me on how this matter can be corrected?

Mr Speaker: The hon. Gentleman has just corrected it very successfully. I do not want to be personal, but let me say to him that I have never found the slightest difficulty in understanding what he has had to say. I hope that he is grateful for that.

Chris Bryant (Rhondda) (Lab): What did you say, Mr Speaker?

Mr Speaker: We are always grateful for the quick-wittedness of the hon. Member for Rhondda, bestriding the Opposition Front Bench.

We come now to the ten-minute rule motion, for which the proposer has been very patiently waiting.

Police Terms and Conditions of Service (Redundancy)

Motion for leave to introduce a Bill (Standing Order No. 23)

3.5 pm

Mark Reckless (Rochester and Strood) (Con): I beg to move,

That leave be given to bring in a Bill to make provision for police officers to be offered, or be made subject to, terms of redundancy; to set out the circumstances in which such redundancies can be made; and for connected purposes.

I should first declare an interest as a member of the Kent police authority. In that role, working with Kent's chief constable, I will have to help to make the savings the Chancellor has just announced. I should also emphasise that I speak as a friend and supporter of the police. I pay tribute to their service and the fact that, almost alone among the public servants affected by today's announcement, they forswear the right to strike.

In Kent, we are fortunate to have a chief constable who sees lower spending as an opportunity to deliver a new and more efficient way of policing Kent and to keep crime coming down. As we make cuts in the central grant—these might be higher than the overall figure of 4% per year that we have just heard—it is essential to allow police forces and authorities to decide how best to police their areas with the money they have. Unfortunately, the law does not currently give them that freedom, so we are asking chief constables to make cuts with one hand tied behind their back. That is because, historically, the police enjoy a unique status under the common law as constables who exercise discretion under the Crown. A senior police officer cannot order a constable to make an arrest; the constable must decide for himself. On that basis, the courts have traditionally held that the law of master and servant does not apply to the police. That law has evolved into the modern statute-based employment law that we have today, but, extraordinarily, the police still remain outside its scope. As no one employs the police, no one can make them redundant. A police officer is appointed subject to two years' probation, but after that, unless they are found guilty of gross misconduct, their appointment as a police officer simply continues until they retire—generally after 30 years. It makes France look like a flexible labour market.

Hon. Members might ask how cuts will be made in police budgets. The answer is that they will be concentrated on cheaper civilians. On average, police forces are made up of about 60% police officers and 40% civilians, but as forces have set out projected plans for reductions, they have had no choice but to target civilian staff disproportionately. Strathclyde police say that they plan to lose 200 officers and 600 civilians, and Cambridgeshire police say that they plan to lose 470 officers and 550 civilians. In my own force, Kent, our chief constable had suggested cuts of 500 officers and 1,000 civilians.

Those civilians are employed in a range of roles—from call handlers to crime investigators to police community support officers—which are clearly on the front line of policing. Forces often use civilians for specialist roles that do not need fully warranted officers who have had costly training across all aspects of policing. That allows police forces to concentrate those officers where the public want them most. We want the police to do that, but unless we change the law, we risk forcing police officers off the streets and into back-office roles that are now done by police staff, because we let police authorities make their civilian employees redundant but make them pay police officers until they retire, whether or not they are needed and irrespective of performance.

The only flexibility—I use that word advisedly—that police forces and authorities have in respect of police officers is to force them to retire under regulations 19 and 20. Under regulation 19, police officers can be required to retire when they have reached pensionable service, which is generally after 30 years. Meanwhile, regulation 20 states that a police authority may require a police officer to retire

"if he is permanently disabled for the performance of his duty".

But I must tell the House that, when in Kent one of our officers is injured while protecting the public and is perfectly capable of doing a good desk job, we would like to look after them, not force them to retire simply because they are the only type of officer to whom we can do that.

I am not sure whether those regulations will in any event survive what I suspect will be a wave of litigation that their use will soon engender, but I want to introduce the Bill because I believe that hon. Members should make that decision in the House. If we are to require police forces and authorities to make significant savings, we should allow them to do that in a way that makes most sense for local policing. We should certainly not force them to do it by targeting civilians, the old and the disabled.

I ask hon. Members for permission to introduce the Bill, since today we are telling our local police forces that they must make savings; we should also give them the freedom to decide how that is done.

Question put and agreed to.

Ordered,

That Mark Reckless, Mr Aidan Burley, Kwasi Kwarteng, Lorraine Fullbrook, Amber Rudd, Priti Patel, Mr Robert Buckland, Mr David Ruffley, Mr Douglas Carswell, Fiona Bruce, Mr Philip Hollobone and Mr Christopher Chope present the Bill.

Mark Reckless accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 14 October, and to be printed (Bill 81).

Parliamentary Voting System and Constituencies Bill

[Relevant documents: The Third Report from the Political and Constitutional Reform Committee, Parliamentary Voting System and Constituencies Bill, HC 437, and the oral evidence taken before the Committee on Thursday 15 July on the Coalition Government's programme of political and constitutional reform, HC 358-i.]

[4TH ALLOCATED DAY]

Further considered in Committee

[DAWN PRIMAROLO *in the Chair*]

Clause 8

REPORTS OF THE BOUNDARY COMMISSIONS

Amendment proposed (19 October): 127, page 6, leave out line 35 and insert—

'(a) within twelve months of Part 2 of the Parliamentary Voting System and Constituencies Act 2010 coming into force in accordance with section 16(2) thereof'.— *(Chris Bryant.)*

3.13 pm

Question again proposed, That the amendment be made.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): I remind the Committee that with this we are taking the following:

Amendment 341, page 6, line 35, leave out '2013' and insert '2018'.

Amendment 342, page 6, line 36, leave out 'fifth' and insert 'tenth'.

Amendment 38, page 6, line 36, at end insert—

'(3A) After subsection (2) there is inserted—

"(2AA) The boundary review due to be completed by the date set out in subsection (2)(a) above shall not begin until both Houses of Parliament have approved a report from the Electoral Commission certifying that in its opinion sufficient measures have been taken to provide for the registration of eligible voters.".'.

Amendment 70, in clause 9, page 7, line 32, at end insert—

'(1A) This rule is subject to an independent assessment of the Boundary Commission as to the potential electorate within any area where the Commission, having consulted—

(a) the Electoral Commission,

(b) the Registration Officer of the local authority or authorities in that area,

(c) such other organisations and individuals whom the Boundary Commission may choose to consult,

determine that the difference between the registered electorate and the assessed numbers eligible to be registered is so significant as to give rise to concern about the number of people to be served within such constituencies as would otherwise be created by rule 2(1) above.'.

Amendment 125, page 10, line 2, leave out from 'persons' to end of line 6 and insert

'who are estimated by the Office of National Statistics to be eligible to vote in United Kingdom parliamentary elections, whether or not they are so registered to vote.'.

Amendment 135, in clause 16, page 13, line 5, at end insert

'with the exception of Part 2, which will not come into force until

(a) after the referendum on the determination of powers devolved to the National Assembly for Wales under the terms of the Government of Wales Act 2006; and

(b) the Electoral Commission has reported to the House of Commons, that over 95% of eligible voters in each local authority area are estimated to be on the electoral register.'.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): I welcome you back to the Chair, Ms Primarolo, and to the consideration of clause 8. I am delighted that we can continue debating amendment 127. Of course, we would not have been able to do this if the Opposition's attempt to prevent us from doing so, when we dealt with the timetable motion yesterday, had succeeded. When I was last speaking to this group of amendments, we were having a brief exchange on the matter of Wales. I do not want to continue that exchange, because we need the opportunity to discuss the much more important issues relating to Wales and the other parts of the United Kingdom under clause 9, which I hope we will reach shortly.

I was also considering the amendments proposed by the hon. Member for Rhondda (Chris Bryant). One of the great advantages of having an overnight break is that we can look back at the *Official Report* and read what the protagonists have said. I looked back through the report of the 50 minutes that the hon. Gentleman took in proposing his amendments and found that he did not, as I had suspected, mention them once during those 50 minutes. We know not from him what the content of the amendments is. So I propose to move on from the hon. Gentleman to the right hon. and hon. Members who contributed something positive to the debate.

Much of what we heard was about registration and the fact—it is a fact—that many people do not appear on the electoral register. The hon. Member for Blackley and Broughton (Graham Stringer)—I am glad to see him in his place—made clear his view on that, and said, I think, that we were moving to a system whereby 3.5 million people are not on the register. I disagree with him about that. We are not moving to a system whereby 3.5 million people are not on the register; we are already at that stage, and have been for a very long time. The disgrace is that we have been so unsuccessful in dealing with the parts of the country where registration is insufficient.

My hon. Friend the Member for St Ives (Andrew George) set out some of the reasons why we will never achieve 100% registration, given the difficulties involved. He is absolutely right, and I do not disagree with his analysis in any way. That is why the Government are introducing proposals at least to help the process and get as many people as possible on to the register.

The difficulties that we have with the amendments fall into two groups. They would change the basis on which boundary reviews are effected, moving away from the number of registered electors to some other basis, whether an estimate of eligible electors or an estimate of population. Alternatively, they suggest that we delay the process and make it longer, by a variety of mechanisms. I do not believe that that is the right way forward. The proper course of action is to ensure that the register is as accurate as possible. As I have said, the Government are taking action to improve the registration system.

Amendment 125 would require the boundary commissions to use an estimate of eligible electors, to be provided by the Office for National Statistics. The

ONS does not at present make any estimate of eligible electors. Census data are available, but a census is carried out only once a decade, does not cover eligibility to vote and may contain inaccuracies. Indeed, in evidence to the Political and Constitutional Reform Committee, the secretary of the Boundary Commission for Scotland said that there would be "significant practical problems" with using population rather than registered electorate for the purposes of the boundary review. It was mentioned that the electoral register is published annually, whereas the census, which does not record whether a person is eligible to vote, is published every 10 years.

Delaying the boundary reviews would simply make the information on which they are based more inaccurate. The general election held last May was based on electoral registration data 10 years out of date. That cannot be right, and that is my difficulty with amendments 341 and 342, tabled by my hon. Friend the Member for Leeds North West (Greg Mulholland). Those amendments would not only delay the initial review, but halve the frequency of such reviews, by requiring the boundary commissions to report before 1 October 2018, instead of 2013, and every 10th year after that, instead of every fifth year. That would simply make an unacceptable situation worse.

The Government's proposals build on the existing arrangements for boundary reviews, which have been based on the electoral register for decades. It is right that we take action in support of complete and accurate registers, and the Government are taking that action. On that basis, I urge right hon. and hon. Members not to press their amendments.

Chris Bryant (Rhondda) (Lab): We have had 51 speakers—or rather, 52, counting the Deputy Leader of the House, who has just spoken. Despite his rather petulant and "ad hominate" speech last night, we have none the less had a good debate. He did, however, correctly excoriate me for not fully adumbrating the amendments that we tabled. That was partly because I took 31 interventions, more than half of which were from Government Members, but perhaps it would be of assistance if I were now to explain precisely why our two amendments are important.

The Deputy Leader of the House was quite right last night to say that our two amendments, 127 and 135, which refer to different parts of the Bill, are not necessarily readily comprehensible at first sight—partly because one refers to clause 8 and the other to clause 16. Both appear at different points in the amendment paper. Consequently, Members will have to turn to pages 429 and 445 to find them.

Amendment 127 would include in clause 8 the words

"within twelve months of part 2 of the…Act…coming into force in accordance with section 16(2) thereof",

In other words, the Boundary Commission would produce its report within 12 months of an addition to clause 16(2), which we would insert through amendment 135, stating,

"after the referendum on the determination of powers devolved to the National Assembly for Wales under the terms of the Government of Wales Act 2006".

The Deputy Leader of the House rightly told me off last night for not explaining precisely why we believe that that is important. As I tried to say in yesterday's debate, historically, we have constructed Parliament in this country by determination according to the four different constituent parts of the Union. That has included the representation that each part requires in order for the Union to be solid and hold together, which is precisely what happened in the 1536 Act of Union, the 1707 Act of Union and the 1801 Act of Union. With all three, the first thing determined was how much representation there should be from Wales, Scotland and Ireland. Obviously, that was subsequently changed with the creation of the Irish Free State.

The further change to Scottish representation occurred when we introduced devolution, so, following the Scotland Act 1998, it was agreed that because a variety of powers would be given to the Scottish Parliament, it was right and proper for the number of seats that Scotland accounted for in the Westminster Parliament to be reduced.

The first referendum in Wales on devolution brought about the creation of the National Assembly for Wales, which does not have law-making powers or enjoy any powers over crime, justice or policing, so it is a somewhat different body from the Scottish Parliament. However, there is a proposition that follows on from the Wales Act 2006, and it will be tested in a referendum, which the Government have said will take place in the first quarter of next year, but for which as yet no date has been set. The Welsh Assembly Government have requested that it should be on 3 March, but the Secretary of State for Wales has not yet assented to that. We do not know whether a date has been agreed or whether the referendum will proceed. The date of 3 March may well be problematic, as—how can I put it?—it sometimes rains in Wales in March. Sometimes we have fairly excessive conditions in large parts of Wales at the beginning of March, so the date may well end up being inappropriate.

However, be that as it may, we need to be assured of what powers the Welsh Assembly will have if we are then to have a coherent Union-based understanding of how much representation there should be from Wales in the Parliament of the United Kingdom of Great Britain and Northern Ireland. That is why we have tabled the two amendments, and I shall press them to a Division, because I have not heard anything from the Deputy Leader of the House to alter my opinion that we should proceed on a Union-based understanding of how we create this House, not on a purely mathematically based assumption.

Mark Durkan (Foyle) (SDLP): Further to that point, does my hon. Friend recognise that because of the arithmetical formula, the Bill will ensure not just that boundaries will change every five years, but that the number of seats allocated to each Boundary Commission could change? The number of seats in Northern Ireland could go up in one review and down in another, and that in turn would affect the seats in the Northern Ireland Assembly, because the constituencies of the Assembly and of Parliament are absolutely coterminous. The proposal will create havoc.

Chris Bryant: The seats in the Welsh Assembly are coterminous with those for this Parliament at the moment, although there is a provision later in the Bill to change that through decoupling. That is something that we must analyse. My hon. Friend is right that there may be a change in the number of seats between each segment. If there is a boundary review every five years, there might well be a change in the number of seats, and in

[Chris Bryant]

the end I am not sure whether that is likely to lead to a more stable constitutional settlement between the four constituent parts of the Union.

There are those who like to think that there is just the Union, not any constituent parts, and there are those who want to think that there are just the constituent parts—which should not be constituent parts but independent. However, I believe that they are constituent parts of the whole, and I say gently to Ministers that the way in which they are proceeding in relation to some parts of the Union is not likely to aid the Unionist cause. It will be detrimental.

We do not say that the provision in our amendments should be introduced solely if the referendum is successful in granting further powers to the Assembly.

Mr Robert Syms (Poole) (Con): To be entirely clear, is it Labour party policy that England be under-represented in this House?

Chris Bryant: No, it is not Labour party policy that anywhere be under-represented. We believe, as I said yesterday evening, that it is important to achieve greater equalisation of the number of voters in each electorate, but that should not be a purely mathematical exercise. Where there are overriding concerns, those should be brought into play. Indeed, the Government agree to some degree, because they have created a degree of exception for Northern Ireland and a completely different set of exemptions for two seats in Scotland, which, according to the Government's interpretation of the situation—and, I presume therefore, the hon. Gentleman's—will effectively create two rotten boroughs in Scotland. We think that if we are going to make exemptions, we should make a broader set of exemptions, rather than just those two.

Mark Tami (Alyn and Deeside) (Lab): To correct not only my hon. Friend but myself, I should say that I am reliably informed that three seats are involved. There is another seat; there is a rule that applies only to that seat on geographical grounds. That does not apply in Wales, where, as I am sure my hon. Friend will agree, a seat could well stretch from one side to the other if the population density was low.

3.30 pm

Chris Bryant: My hon. Friend is right to correct me. I accept the admonition that three seats are being created in this way. I do not think it inappropriate for those seats to exist. But the logic of the Government's argument—that there should be complete mathematical purity—leads one to suppose that they can only think that they are creating three rotten boroughs.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I detected a form of back-pedalling in the hon. Gentleman's answer to the hon. Member for Alyn and Deeside (Mark Tami). I assume that he is not saying that Labour's policy is that the islands of Scotland are rotten in some way.

Chris Bryant: No. The hon. Gentleman knows that personally I have a great affection for the islands; indeed, many of my ancestors came from Lewis. But that is not the point. I am not trying to say that Scotland is in any shape rotten; I am merely trying to say that there is an illogicality in the argument that the Government are presenting. They are trying to say that we should have mathematical purity everywhere—except where we should not have it. I am trying to say that we should strive towards broad equality of representation in each of the seats. However, other considerations need to be brought to mind, and that should apply not only to the seats that I mentioned, but to some others as well.

Mr MacNeil: I want some clarification. Does the hon. Gentleman agree with the sensible exceptions that have been made for Na h-Eileanan an Iar and Orkney and Shetland? Yes or no?

Chris Bryant: Yes, I do. As the hon. Gentleman knows perfectly well, we have tabled amendments that would include his seat, but also include others. He is a sage man and I know that he would want to pursue the logic of the creation of his own seat so as to make exactly the same exemptions in some other cases where there are overriding concerns—in the Isle of Wight, for instance. That is the nature of the amendment that we have tabled elsewhere.

Naomi Long (Belfast East) (Alliance): Could we put it this way? Given that the Government have already conceded that there are exceptions to the numerical rule, would it not be better to give the judgment to the Boundary Commission, which could not be perceived to have any vested interest? It could make the judgment on where exceptions should and should not apply, rather than the Government laying that out in the Bill.

Chris Bryant: The hon. Lady speaks with almost as much sagacity as the hon. Member for Na h-Eileanan an Iar (Mr MacNeil). I agree with her that there is no logic to how the exceptions have been laid out. The Boundary Commissions should be given a certain latitude while striving towards a greater equalisation of the number of electors in each constituency.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Does my hon. Friend find it surprising that the Bill comes from a party that is meant to be committed to the Union and that that party's parliamentary colleagues will be involving themselves in the destruction of the historic Duchy of Cornwall along the same lines?

Chris Bryant: My hon. and historical Friend is absolutely right. That adds to my argument, and to arguments that I shall hope to adduce later. As I said, there need to be some exemptions where there are overriding geographical, political or cultural issues that need to be resolved.

One of the overriding political issues is the bonding together of the Union, which historically has taken into consideration the existing political structures in Wales, Northern Ireland and Scotland. That is why we have tabled amendments 127 and 135, which would mean that the Boundary Commission would not be able to proceed until the referendum had happened in Wales. In that way, we would know that there was a settled view about what powers the National Assembly for Wales would have.

There are other amendments in this group. In particular, the hon. Member for Leeds North West (Greg Mulholland) has tabled amendments 341 and 342, either of which I would be happy to support; I very much hope that he will press one of them to a Division.

The hon. Gentleman made an important point in his contribution to the debate when he said that we have only just had a boundary review and we are to have another by 2013, which seems rather a fruitless exercise. He is absolutely right; it would be better if we did things on a longer time scale, and towards 2018. That point relates to his amendment 341. His amendment 342 would mean that instead of having reviews every five years, we should have them every 10 years. I say to hon. Members who are hard and fast in their view that we should have a full boundary review, every five years, on the basis of purely mathematical, arithmetical equations, that that would put every single parliamentary seat in doubt every single time. It may not be that every single one is changed every time, but a large number probably would be. The danger is that that gives rise to a conflict when an hon. Member knows the seat that they will be fighting at the next general election and they want to get in touch with the voters in that seat not as an MP but as a candidate. That is likely to lead to a considerable number of unfortunate circumstances in the way that Parliament behaves. It was difficult enough in the last general election, when the Speaker and the courts had to intervene in two cases in London where boundaries had been redrawn and MPs wished to be able to correspond not as an MP but as a candidate, and the sitting MP objected to that intervention.

Phil Wilson (Sedgefield) (Lab): Does the shadow Minister agree that over, say, a 20-year period of four Parliaments one community could find itself in four different constituencies and have four different MPs, not because an MP is deposed but because the constituency boundaries are being changed to ensure that all the arithmetical figures stack up? That breaks the strong and important link between the constituency MP and the local electorate.

Chris Bryant: Absolutely. Particularly in many rural areas where the difference between reaching the mathematical perfect number and not reaching it might be 1,500 or 3,000 votes, a medium-sized village or small town might have to be divided in half, or a river might run across the constituency and new polling districts might have to be created. A whole series of different issues might mean that the individual voter ultimately ends up being less confident about knowing who their political representative is.

The hon. Member for Epping Forest (Mrs Laing), who knows that I have a great respect for her—I waited until she took her seat before referring to her—made several points, one of which related to the fact that we should not be redrawing the seats for our own convenience. She is absolutely right. We should, however, ensure that the political boundaries for constituencies are for the convenience of our electors. Our electors do not think in terms of lines on a map but in terms of political communities, cultural connections and social connections, and where the roads go and do not go. If one is to bind together little bits of geography just because they sort out a perfect map according to mathematical excellence, one might assist the convenience of the Boundary Commission, but one will not necessarily assist the convenience of voters, who want to know and understand who their Member of Parliament is—and it is better that they do. I know that there are split wards, but it would be better if there were not.

Geraint Davies (Swansea West) (Lab/Co-op): My hon. Friend suggested that there would be changes every five years but that that might not affect every constituency. Does he agree that, for example, a constituency in the south that grew because of population changes and migration would necessarily have a nudging effect on contiguous boundaries and a domino effect all the way up the country, and that because it is likely that virtually every seat will change every five years during the 20-year period that my hon. Friend the Member for Sedgefield (Phil Wilson) mentioned, one's constituency might move around the country? *[Interruption.]*

Chris Bryant: Members on both sides are laughing because my hon. Friend has of course moved around the country himself, so I will assist by saying that I know that the people of Wales welcome him back to his home town.

My hon. Friend is absolutely right to say that where there are significant changes in the population there will not only be effects for one constituency but potentially nudge-on effects for many others, which may move from one county council or one borough to another. In part, we have to accept this. Rhondda used to have two parliamentary seats, Rhondda East and Rhondda West, and then we moved down to one parliamentary seat because the population fell dramatically. I do not believe that the boundaries of parliamentary constituencies in Wales or anywhere else should be written in stone—of course we have to move with the population flows. However, if we move forward precisely like this, without any kind of exemption, one constituency in Wales will represent at least a third of the geographical area of Wales. That would be unacceptable. It would cover several counties, which are unitary authorities in Wales, and would include areas that are, and feel themselves to be, virtually in England, and a large part of Wales that is fiercely proud of its Welsh language heritage. That would be an inappropriate direction in which to move.

Susan Elan Jones (Clwyd South) (Lab): Does my hon. Friend agree with what the women's institute has written? As I am sure all hon. Members know, anyone who dares to suggest that the women's institute is party political will have their come-uppance, but it has expressed great concern about the effect that the changes will have on rural communities, because natural geographical boundaries will be cut up.

Chris Bryant: Tony Blair learned that one should not really mess with the women's institute, and I have no intention of doing so, but my hon. Friend is absolutely right. Large parts of her constituency are very rural, and chunks of mine are semi-rural—everybody in the Rhondda lives within about 200 metres of a farm. Surely the point is that overriding concerns must be able to trump mathematical perfection, not entirely but to a degree. The Government have already accepted that in relation to three constituencies, but it should apply more widely.

My hon. Friend the Member for Blackley and Broughton (Graham Stringer) has tabled amendment 38, which refers to registration. A lot of Members talked about under-registration yesterday afternoon, and the Deputy Leader of the House has just mentioned it. I am glad he accepts that some 3.5 million people are not on the register and should be. I make no pretence that we got it

[Chris Bryant]

right when we were in government. Indeed, some of us—particularly one of my hon. Friends, who is probably about to intervene on me—quite rightly argued aggressively in the last Parliament that many people are under-represented on the register. The danger is that they will therefore be under-represented in Parliament and their concerns will not be taken on board.

Chris Ruane (Vale of Clwyd) (Lab): Will my hon. Friend give way?

Chris Bryant: As I was talking of my hon. Friend, I shall give way to him.

Chris Ruane: My hon. Friend says that we did not do as much as we could have done, and I agree, but we did do some things in the past 13 years. In the Electoral Administration Act 2006, we examined what electoral registration officers were doing and measured them in 26 fields. That process was long and slow, but now we are beginning to examine what they achieved so that we can fine-tune the process. However, the current proposals are being rushed through.

We also listened to the then Opposition. When they wanted individual registration, we opposed it at first but then said that because of political balance we would introduce it. We said that it would happen in 2015 and that we would put measures in place to increase registration over the five years until then. All that bipartisanship has been shattered by the governing parties for party political gain and to pursue a little English coup.

The Temporary Chair (Mr Jim Hood): Order. I think that intervention was a bit long.

Chris Bryant: But it was very good, Mr Hood, and spot on. I hope that some coalition Members accept that when we were in government, we tried to co-operate on electoral registration. When the hon. Member for Epping Forest spoke for her party on the matter, she did so very effectively and we tried to co-operate and reach agreement when we could. We agreed that we would move towards individual registration, but I am concerned that the new Government's message about registration is, "Yes, we want everybody to register, but it doesn't really matter if you don't. We're going to get rid of the fine for somebody who does not send in their form, and registering is almost entirely optional." That is a shame, because as I tried to say in a debate that the hon. Lady secured in Westminster Hall earlier today, we sometimes take our democracy for granted all too easily.

Tristram Hunt: My hon. Friend is right to point to the Bill's partisan nature. Did he hear anything from the Chancellor about allocating extra resources to increasing electoral registration in December, or perhaps for the wonderful democracy festival that the hon. Member for Bermondsey and Old Southwark (Simon Hughes) talked about?

3.45 pm

Chris Bryant: No—I heard exactly the opposite. I think that there was a reference to a 7% cut in local authority funding every year for the next four years. My concern is that, because all too often we take democracy for granted, when local councillors have to decide whether to spend £100,000 on keeping a swimming pool open or on a really good door-to-door canvas to ensure that everybody is registered, they tend to keep the swimming pool open. Although I fully understand such decisions, which will be difficult for many councillors in the next four years, unless one values democracy and spends money on it, one does not get a proper representative democracy. That is why Labour Members believe that amendment 38 is important. Unless the Electoral Commission is satisfied that there is proper registration and that proper measures are being taken to ensure full registration of all eligible voters in this country—and for dealing with those who are on the register but should not be—the Boundary Commission should not be able to produce its report.

My hon. Friend the Member for Swansea West (Geraint Davies) tabled amendment 125, which refers to the census. Earlier, the Deputy Leader of the House said that he did not agree with the amendment because the census happened every 10 years, which might have led one to believe that there would not be one for 10 years, but of course, one will be held next year. The information may not be available immediately, but surely it would be bizarre if we found that the number of those eligible to vote in individual areas of the country was dramatically higher than those registered to vote, and that those areas were significantly unfairly under-represented in the House because the Government chose to proceed on only one element.

Geraint Davies: My amendment would provide for the Office for National Statistics to conduct an assessment of the number of eligible voters. It would use the register of voters alongside the census and other data sources to get the best estimate. It might not be perfect, but it would be better than the current suggestion.

Chris Bryant: Precisely. That is one of the things that the Boundary Commission should consider.

One other issue was mentioned in yesterday's debate. I am sorry to refer to the hon. Member for Epping Forest for a third time, but she got rather cross with me in yesterday evening's debate, so I merely wish to respond to one of her comments. She said that the point about the number of Members of Parliament in a particular area and the casework that they took on was not a matter of substance. Various hon. Friends suggested that some of those who are not eligible to vote often provide much of the casework in a constituency. Consequently, there is an argument about the role of the Member of Parliament, which should be considered before reaching the precise matter of how the boundaries are drawn. The hon. Lady said that it would be good if we reduced the number of Members of Parliament and achieved equalisation of the electorate in each constituency, and that if a problem remained with casework, we could give Members of Parliament more staff. *[Interruption.]* I think that the hon. Member for Brecon and Radnorshire (Roger Williams) says, "Hear, hear" because he wants more staff to work for him.

I am concerned about the hon. Lady's view because the role of a Member of Parliament has completely changed since the days of Stafford Cripps, and casework is an essential part of the job. Simply hiving it off to a member of staff, without the Member of Parliament's being directly involved, distances Members of Parliament

from the real life that goes on around them. Simply replacing Members of Parliament with paid staff is not the right route.

I am keen to press our amendments to a Division. I hope that hon. Members will agree that mathematical excellence is not the only way in which one should proceed towards creating new boundaries for the House of Commons, and that other considerations need to be borne in mind. I hope that I can rely on the Committee's good sense.

Graham Stringer (Blackley and Broughton) (Lab): On a point of order, Mr Hood. I should like to press amendment 38 to a Division. What is the appropriate time to move it, if I am allowed so to do?

The Temporary Chair (Mr Jim Hood): Now that the hon. Gentleman has given notice that he wishes to press his amendment to a Division, I will invite him formerly to move it when the Division on amendment 127 is over.

Chris Bryant: Further to that point of order, Mr Hood. Does that also apply to amendment 341 or 342?

The Temporary Chair: Yes, certainly.

Question put, That the amendment be made.

The Committee divided: Ayes 232, Noes 326.

Division No. 86] **[3.50 pm**

AYES

Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom

Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mr David Anderson and Mr David Hamilton

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian

Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wishart, Pete
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Jeremy Wright and Mark Hunter

Question accordingly negatived.

Amendment proposed: 342, page 6, line 36, leave out "fifth" and insert "tenth".—*(Greg Mulholland.)*

Question put, That the amendment be made.

The Committee divided: Ayes 237, Noes 319.

Division No. 87] **[4.5 pm**

AYES

Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Field, Mr Mark
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Mulholland, Greg
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis

Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Thurso, John
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Graham Stringer and Mr Angus Brendan MacNeil

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John

Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Jeremy Wright and
Mark Hunter

Question accordingly negatived.

Amendment proposed: 38, page 6, line 36, at end insert—

"(3A) After subsection (2) there is inserted—

(2AA) The boundary review due to be completed by the date set out in subsection (2)(a) above shall not begin until both Houses of Parliament have approved a report from the Electoral Commission certifying that in its opinion sufficient measures have been taken to provide for the registration of eligible voters."'.—(*Graham Stringer.*)

Question put, That the amendment be made.

The Committee divided: Ayes 231, Noes 328.

Division No. 88] **[4.20 pm**

AYES

Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg

Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mr David Anderson and
Mr David Hamilton

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa

Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wishart, Pete
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Jeremy Wright and Mark Hunter

Question accordingly negatived.

Mrs Eleanor Laing (Epping Forest) (Con): I beg to move amendment 234, page 7, line 17, at end insert—

'(5AA) The draft of an Order in Council laid under subsection (5A) above may only give effect to the recommendations contained in all four reports under subsection (1) above with modifications, where those modifications have been made with the agreement of the Boundary Commissions.'.

This amendment has been tabled in the names of members of the Select Committee on Political and Constitutional Reform. The Chairman of the Select Committee, the hon. Member for Nottingham North (Mr Allen), is sadly unable to be in here this afternoon and so I have undertaken to move the amendment on behalf of his Committee.

The Select Committee, as the Committee well knows, carried out a necessarily brief and swift but in-depth consideration of the Bill. In order to try to be helpful to the House and the Minister, we tabled several amendments that we believed ought to be considered and that we hope will improve the Bill. The purpose of amendment 234 is to reflect paragraph 139 of the Select Committee's recently published report, which states that

"the power of the Executive to depart from the recommendations of an independent statutory body should have clear statutory limits to prevent abuse for partisan advantage."

I am sure the Committee will agree that that is a matter that ought to be drawn to the attention of the Minister and of hon. Members.

I ask the Minister where the justification lies for the Government's retaining such a wide-ranging power to depart from the Boundary Commissions' recommendations. Although I would assert that I have every confidence—as does the Select Committee—that the current Government would always act in this matter in an honourable, straightforward and democratic way, may I nevertheless ask the Minister on behalf of the Select Committee what safeguards exist against any future Government's misusing such a power to their partisan advantage. It would be helpful if the Minister would consider those questions, and I am sure that the Committee will be eager to know the answers.

Chris Bryant: First, let me briefly comment on the fact that before you took the Chair, Mr Hoyle, we had a former miner in the Chair and two Tellers who were also former miners, so, as the MP for the Rhondda I felt quite at home. But that has absolutely nothing to do with the amendment, I am afraid.

The amendment has been charmingly moved by the hon. Member for Epping Forest (Mrs Laing), who is absolutely right. This is an issue that I have tried to raise on several occasions—

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): Not so charmingly.

Chris Bryant: The Minister says that not so charmingly himself, so the favour goes back to him.

Under the clause, new subsection (5A) would read:

"As soon as may be after the submission of all four reports under subsection (1) above that are required by subsection (2) above to be submitted before a particular date, the Secretary of State shall lay before Parliament the draft of an Order in Council for giving effect, with or without modifications, to the recommendations contained in them."

So the Boundary Commission will bring forth its report, there will be no public inquiry and the Minister will then bring forward the boundaries with or without modifications. It is the phrase "with or without modifications" that I have difficulty with, and clearly the Select Committee does too.

The hon. Lady mentioned that her Committee had to do its business very swiftly. Indeed, I think it had only five days in which to undertake a whole inquiry. That is

[Chris Bryant]

one reason why I believe the Bill is being taken through with undue haste. A substantial number of amendments have been tabled and will be considered on Monday, but we already know that some of them are inaccurate and will be modified when the Government bring forward territorial statutory instruments in relation to Wales, Northern Ireland and Scotland. I very much hope that the Minister will enlighten us as to whether those statutory instruments will be subject to the affirmative or negative procedure. *[Interruption.]* That is not what will happen on Monday because the measures are not going to be debated next Monday at all, contrary to what the Deputy Leader of the House has just said from a sedentary position.

The Government believe that we should retain in present legislation the phrase "with or without modifications". That is a pretty broad power.

Mr Syms: With previous boundary reviews, there have sometimes been attempts at judicial review of elements of what the Boundary Commission has done. Most of them have been rejected, but we have to consider that that is a possibility and that minor modification might be required—or does the hon. Gentleman think that will not happen?

Chris Bryant: The hon. Gentleman makes an important point about the due process that needs to be gone through. I believe that we need a due process in relation to the Boundary Commission, because it might proceed incorrectly according to the rules that are laid down for it, it might proceed in a partisan manner or it might not consider all the factors that need to be considered. That is why we have heretofore always had a system of public inquiry, and not just written reports being sent in. That is essential for there to be utter confidence in the process that the commission goes through. He is absolutely right that there is also, sometimes, a process of judicial review. I suspect that if the Government push through the Bill in the partisan way that they are doing, without any provision for public inquiry, the likelihood of a judicial review being sought in many constituencies in the land will be very high indeed.

The hon. Gentleman might say that that is a good reason why the Minister needs even more power to draw constituency boundaries as he thinks fit. Unless the Government can be shifted from this view—whether that happens in this House or in the other House—we shall almost inexorably end up with no due process, other than the recourse that people might have to the courts.

The Minister will probably tell us that the Government need this power because apostrophes and commas are sometimes put in the wrong place and there are inadvertent errors. That is why the amendment, which was tabled by several members of the Political and Constitutional Reform Committee, is perfect: it simply says that the Minister, if he or she wishes to make any modification, must return to the Boundary Commission and ask, "Are you okay with this amendment?" If Ministers were in a conciliatory, cross-party mood, they would accept the amendment.

I fully understand that the precise wording they propose is that of the current legislation. That is fine when due process can go on after the boundary commissions have done their work—for example, public inquiries, where the public can have their say on the boundary commissions' proposals. Where that does not happen—that is the intention of the Bill, although it is something that we shall return to later—it is important that there is a bind on Ministers, so that they are not entirely free to dream up any kind of modification that they might want; otherwise, strictly speaking in law, I guess that Ministers would be perfectly at liberty, if they felt that the boundary commission had got something slightly wrong and representations were made to Ministers, to make such modifications as they thought fit.

Thomas Docherty (Dunfermline and West Fife) (Lab): I do not know whether my hon. Friend is familiar with the situation in the United States, where there is no boundary commission and state legislators draw up in a partisan, political way each state's congressional districts. Does he agree that we are starting down a slippery slope and that we will end up with a partisan political set of redistricting—to use the American phrase—if the boundary commission's authority is not protected?

Chris Bryant: That will happen not just if we do not have the boundary commission's public inquiry process, but if this element of the Bill remains without the amendment. My hon. Friend is absolutely right. In the United States of America, because there is a redrawing each time, there are many instances where the incumbents effectively draw boundaries to protect themselves. Therefore, two Hispanic communities that might be thought to vote Democrat could be linked, because boundaries must be contiguous, by a single side of a road, thus creating bizarrely shaped constituencies. That is why, as I am sure hon. Members know, one of the congressional districts in Massachusetts that was drawn up by Governor Elbridge Gerry in the 19th century was shaped like a salamander—hence the term "gerrymander". In fact, it looked more like an eagle than a salamander.

This provision, as constructed in the Bill, will specifically allow Ministers to gerrymander. It is entirely partisan. It will allow Ministers—indeed, it encourages them—to be partisan. *[Interruption.]* The Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper), says from a sedentary position what I have already said. He says, "We aren't changing anything." He says, as I have said, that the provision is in the existing legislation—it is—but if he would just listen to the end of the paragraph, he would understand and learn that, in fact, the difference between the legislation that he is advancing and the existing legislation is that he will allow no due process. There will be no public inquiries. Consequently, I do not think that the electorate will have confidence in the way the commission draws up boundaries and, thereafter, in the way that Ministers are allowed by their legislation to make such modifications as they see fit.

The Minister may be able to satisfy my concerns by saying that there is legal provision to prevent a member of the Government from doing anything that the Boundary Commission disagrees with, but I do not think he will be able to, because I cannot see where the Bill or any Act makes such a provision. That is why we wholeheartedly support the amendment presented by the hon. Member for Epping Forest. We believe intrinsically that it is one of the most important amendments to the Bill, and I do not know whether she intends to press it to a Division, but if she does not we certainly shall.

4.45 pm

Sheila Gilmore (Edinburgh East) (Lab): As a member of the Political and Constitutional Reform Committee, I am disappointed to find that a measure with cross-party support on the Committee—we all agreed to it—has not been accepted as a good piece of advice on amending a Bill which did not have the pre-legislative scrutiny that might have incorporated such a provision in the first place. Indeed, that is why we have such bodies as Select Committees. They exist to ensure, in an atmosphere that is not adversarial, a greater depth of debate than has been possible even in our debates on the Bill over the past couple of days and today. All Select Committee members felt that, as a safeguard, the amendment was a reasonable way to progress, and, if Ministers have no intention of making unreasonable modifications, they have nothing to lose from accepting such a provision.

The hon. Member for Epping Forest (Mrs Laing) said that she had no concerns about her Government using such powers. We might think differently, but equally she might think differently if there were a change of Government. From the perspective of our discussions in the Committee, the measure simply represented a safeguard that accounts for the fact that the whole procedure has changed. We know that the provision in the Bill is very similar, so we are not ignoring it, but the amendment was agreed to in the wider context of a debate about how we carry out such boundary changes, and the fact that public inquiries will not take place. We wanted to ensure that things could not be altered at the last minute in an unsatisfactory way that cut across whatever public consultation there had been throughout the process.

With many aspects of the Bill, we have forgotten the underlying reason for wanting to legislate on the constitution. I remember the Deputy Prime Minister, when he introduced this constitutional programme, saying that he wanted to overcome the distrust in politics and the fact that people appeared to have lost faith in politics and politicians, and that he felt that the constitutional changes would improve the situation. Having listened to some of last night's debate, I think it very important that we bear that test in mind when we consider the provision before us. We should ask ourselves, "Do these various detailed provisions improve that trust or detract from it?" The amendment would be a small and fairly technical provision that went some way to meeting that test. I commend it to the Minister and hope that it might be accepted.

Mark Durkan: The amendment would represent a very important reassurance, because the Minister would not be able to make highly arbitrary and subjective judgments on any modifications that were introduced. As my hon. Friends have pointed out, we are being asked to consider a situation in which, in every Parliament, there will be a boundary review in respect of the next Parliament. That means that in each Parliament, and in each Government, the relevant Minister will in effect have his or her hands on a boundary review. That fundamentally changes the political nature of the operation, and it might be abused. I am thinking not only of one party against another; it could be abused within a party. It could become yet another of the Whips' weapons against recalcitrant Government Members—they could say, "Look, we can redistrict you." That is what has happened in the United States. We find many former members of Congress who say that they were blatantly redistricted by their own parties because they did not fit or did not particularly toe the line. We have seen that happen in various states.

The arrangements provided in the Bill are pregnant with the possibility of abuse or accusations of abuse. The parliamentary process needs to be protected from that. The House has made a mistake in accepting boundary reviews every five years rather than every 10 years. That means that every Parliament will be affected and infected by the issue and the controversy around it. If Ministers want to be free from that, they should agree to the amendment.

Mr Heath: I am extremely grateful to the hon. Member for Epping Forest (Mrs Laing) for moving the amendment. I give my best wishes—and, I am sure, those of the whole Committee—to the Chairman of the Political and Constitutional Reform Committee, who would normally have been here to speak about its proposals.

We have had a short and helpful debate. The hon. Member for Rhondda (Chris Bryant) has told us about the derivation of the word "gerrymander" again; hopefully, we will hear that each day this Committee sits. It worries me when the hon. Gentleman talks about due process: the more he talks about it—and it is not the issue before us at this stage—the more I think he does not know what it means. We will come back to that later.

The hon. Member for Edinburgh East (Sheila Gilmore) assumed a position on the part of the Government without knowing what it was. I suggest to her that that is not a sensible way to go forward; that is meant to be helpful. We are grateful to her.

The hon. Member for Foyle (Mark Durkan) got the tone exactly right. There is an issue, and we understand that. The amendment would allow the Order in Council laid before Parliament to give effect to the boundary commissions' recommendations with modifications only if the commissions were content with the changes made. As we have heard, the existing legislation does not have a restriction on modification such as that proposed by the amendment. The Bill simply preserves that power.

There is no record of that power ever having been used. There was an instance in which a Government urged Parliament to reject boundary commission proposals in toto rather than modify them, and some would suggest that that in itself was an abuse, but a Government have never urged Parliament to modify such proposals, so there is no history on the issue. However, I entirely understand the desire expressed by the Political and Constitutional Reform Committee to ensure the independence of the boundary commissions and see that their work is not modified for partisan reasons by any Government.

I say to the hon. Member for Epping Forest that the Government would like to consider the matter in more detail. There might be a situation in which, for the timely implementation of the boundary commission's recommendations, any unintended errors in the reports would need to be corrected in the Order in Council. We would want to consider carefully how any such restriction on the power to include modifications in the Order in Council might work.

There may be a technical defect in what the Political and Constitutional Reform Committee has brought forward. That is not a criticism of its work. The amendment appears to require all four boundary commissions to

[Mr Heath]

agree to any modification, rather than the relevant commission or commissions for the part or parts of the United Kingdom where the modification is being made. We may have to look at how the amendment is cast.

Fiona Mactaggart (Slough) (Lab): I did not jump into the trap that my hon. Friend the Member for Edinburgh East (Sheila Gilmore) jumped into. However, I want to intervene to say that I would feel quite differently if the hon. Gentleman gave an undertaking that if he found some technical concern about the wording, he would bring back an amendment that made sure that no changes could be made to boundaries by a Minister without the consent of the boundary commission for the relevant region.

Mr Heath: The hon. Lady has been in government so she knows the constraints within which we work.

I am very sympathetic to the views expressed in the amendment, and we will have to look at it further. That is not an attempt to fob off the hon. Member for Epping Forest or the Select Committee. It raises an important issue. I do not want there to be any circumstances in which a Government can apply a partisan consideration to a modification for a boundary commission response. I give a clear undertaking that the Government will consider the matter in detail and come back with a response in due course. I ask the hon. Lady to withdraw the amendment on the basis that we will look at the matter further and that we are grateful to the Committee for having brought it to our attention.

Mrs Laing: I thank the Minister for the serious way in which he has considered the amendment.

I appreciate the position taken by the hon. Member for Edinburgh East (Sheila Gilmore), but the Select Committee has not suggested that the proposals in the Bill avoid due process. I would argue personally, not necessarily on behalf of the Committee, that the proposals in the Bill do involve due process, but that that is not a matter which hon. Members should worry about. That is not the problem before us right now—the problem is simply whether the Government could, at some point in the future, take action without the agreement of the boundary commissions. I am pleased that the Minister has accepted that that is an issue. Every member of the Select Committee will be very pleased that its work has, at least in this respect, been seen to be worth while and contributing to improving the Bill, which was our purpose in submitting the amendment. Having heard the general arguments put this afternoon, including by the shadow Minister, I believe that it may have to be tightened up somewhat in its wording and technicalities.

I am delighted that the Minister has indicated that the Government will look in more detail at the matter and undertaken to come back to the House with it. Given that assurance, I beg to ask leave to withdraw the amendment.

Hon. Members: No.

The Committee divided: Ayes 231, Noes 308.

Division No. 89] **[4.58 pm**

AYES

Ainsworth, rh Mr Bob
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat

McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Jonathan Reynolds and Phil Wilson

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Graham, Richard
Gray, Mr James
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James

Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Shailesh Vara and Jeremy Wright

Question accordingly negatived.

Mr Heath: I beg to move amendment 162, page 7, line 22, at end insert

'( ) In Article 3 of the Lord President of the Council Order 2010 (S.I. 2010/1837) (which makes certain functions of the Secretary of State exercisable concurrently with the Lord President) the reference in paragraph (1) to the Parliamentary Constituencies Act 1986 is to be read as a reference to that Act as amended by this section.'.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss Government amendments 163 to 167.

Mr Heath: These are minor amendments to clarify the position on ministerial responsibilities in relation to the constituencies provisions of the Bill. Responsibility for elections law, including parliamentary constituencies, is now exercisable by the Lord President and the Secretary of State, as my right hon. Friend the Deputy Prime Minister, as Lord President of the Council, now has responsibility for political and constitutional reform. That was effected by the Lord President of the Council Order 2010, which provides that functions under various Acts, including the Parliamentary Constituencies Act 1986, are exercisable concurrently by the Lord President and the Secretary of State. In the case of that Act, "the Secretary of State" includes the Secretaries of State for Scotland, Wales and Northern Ireland, who retain functions relating to boundary commissions in their parts of the United Kingdom.

The order states that references to the 1986 Act include references to it as amended by any enactment already made but not yet in force. It is arguable that that implies that such a reference does not include a reference to that Act as amended by a subsequent enactment. The amendment therefore provides that the reference to the 1986 Act in the order is to be read as a reference to the Act as amended by the Bill.

Amendments 163 to 167 are to clause 11 on the relationship between the changes to parliamentary constituencies and the constituencies of the National Assembly for Wales. They make similar changes to those in the Lord President of the Council Order 2010, so that the clause refers to both the Secretary of State and the Lord President of the Council, and not just to the Secretary of State. That is done in the same way as in part 1 of the Bill, which provides that the Minister means the Lord President or the Secretary of State. I hope that that is perfectly clear to the Committee.

Chris Bryant: These amendments seem perfectly sensible and we have no problem with them. We hope that they will go forward immediately.

Amendment 162 agreed to.

Question put forthwith (Standing Order No. 68). That the clause, as amended, stand part of the Bill.

The Committee divided: Ayes 311, Noes 225.

Division No. 90] **[5.15 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen

Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Graham, Richard
Gray, Mr James
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, Dr John
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mark Hunter and Jeremy Wright

NOES

Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Jonathan Reynolds and Phil Wilson

Question accordingly agreed to.

Clause 8, as amended, ordered to stand part of the Bill.

John Mann (Bassetlaw) (Lab): On a point of order, Mr Hoyle. The amendments selected in this group include some that are proposing special privileges—some might say gerrymandering—for certain constituencies, and these have been ruled to be in order, while others suggesting gerrymandering, such as my own, which suggests that the traditional rotten borough of Retford should be created, as it was in 1832, have been ruled out of order. [HON. MEMBERS: "It is not this group. It is the next group."] Well, I am making my point now anyway. Why have some been ruled in and some ruled out, when they are all about gerrymandering the boundaries?

The Chairman of Ways and Means: I welcome your opinion, but you cannot discuss amendments that have not been selected.

Clause 9

NUMBER AND DISTRIBUTION OF SEATS

Chris Bryant: I beg to move amendment 364, page 7, leave out lines 27 and 28 and insert—

'UK Electoral quota

1 The UK Electoral Quota shall be defined as the total electorate of the United Kingdom on the designated enumeration day divided by 650.'.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 41, page 7, line 28, leave out '600' and insert

'gradually reduced to 600 in accordance with the terms of rule 1A.

1A (1) In each periodic report submitted by a Boundary Commission under section 3(2), the overall number of constituencies in each part of the United Kingdom shall be no more than in the previous report.

(2) The Boundary Commissions shall meet at the outset of each periodic review to determine the overall number of constituencies in the United Kingdom, and the number to be allocated to each of the four parts of the United Kingdom by each Commission, in accordance with rule 8.

(3) The Boundary Commissions shall ensure that the overall number of constituencies in the United Kingdom is reduced in each succeeding periodic report to no more than 600 by 2029 in their fourth/fifth periodic reports.'.

Amendment 67, page 7, line 28, leave out '600' and insert '585'.

Amendment 74, page 7, line 28, leave out '600' and insert '500'.

Amendment 227, page 7, line 28, leave out '600' and insert—

'no fewer than 588 and no more than 612'.

Amendment 259, page 7, line 28, leave out '600' and insert '650'.

Amendment 42, page 7, leave out lines 35 to 37 and insert—

'U/T where U is the electorate of the United Kingdom minus the electorate of the constituencies mentioned in rule 6 and T is the overall number of constituencies in the United Kingdom determined by the Boundary Commissions under rule 1A above.'.

Amendment 68, page 7, line 35, leave out 'U/598' and insert 'U/583'.

Amendment 75, page 7, line 35, leave out 'U/598' and insert 'U/498'.

Amendment 260, page 7, line 35, leave out 'U/598' and insert 'U/648'.

Amendment 228, page 9, line 40, at end insert—

'Variation in number of constituencies

8A (8) A Boundary Commission shall have power to recommend that the number of constituencies in the relevant part of the United Kingdom should be greater or smaller than the number determined in accordance with the allocation method set out in rule 8.

(9) The number so recommended must be no less than 98 per cent. and no more than 102 per cent. of the number so determined.'.

Chris Bryant: Amendment 364 would replace the first subsection of clause 9, which states that the number of constituencies in the United Kingdom shall be 600, with the proposal:

"The UK Electoral Quota shall be defined as the total electorate of the United Kingdom on the designated enumeration day divided by 650."

I am sure that all hon. Members will note that 650 is the present number of Members of Parliament, as opposed to the 600 that the Bill proposes. I am opposed for a series of reasons to the Government's proposal to change the number of seats and to fix it at 600. First, they are rigging the number of seats. The 600 seats figure did not appear in any party's manifesto. The Liberal Democrats mentioned 500 MPs in their manifesto, while the Conservatives had a manifesto commitment to reduce the number of seats by 10%, which would have taken the number down to 585. Neither of those figures is in front of us. Why might that possibly be? If those two parties were doing a deal, it would be reasonable to assume that we would end somewhere between the 500 seats mentioned in one manifesto and the 585 mentioned in the other. In fact, they have gone for a completely new figure, which seems to have been plucked out of the air.

5.30 pm

That said, has it really been plucked out of the air? Having looked at the numbers, I suspect that bringing the number of seats down to 600 will disproportionately attack Labour seats, while going down to 585 would disproportionately attack Liberal Democrat seats. I therefore suspect that the number of 600 has been arrived at specifically for partisan purposes—to rig the Parliament of this country. That is why we will not support the clause.

Mr Andrew Turner (Isle of Wight) (Con): Does the hon. Gentleman accept the possibility that the compromise arrived at might not have been one between us and the Liberals, but among us, the Liberals and the Labour minority that wanted 650 seats?

Chris Bryant: Well, I would have been absolutely delighted if any process of consultation with Labour Members had taken place on the issue of the size of Parliament. Such a process has always taken place in the past and if it had done so this time, I would have ardently supported the Bill. However, absolutely no consultation has taken place. The number has not been plucked out of the air—it is a partisan number, arrived at solely to rig the electorate so that the Government will win general elections in the future.

Mr Mark Field (Cities of London and Westminster) (Con): Does the shadow Minister have any evidence whatever to back up his allegation?

Chris Bryant: All the hon. Gentleman need do is look at the figures produced by many bodies, which make it abundantly clear.

Tristram Hunt: Given that this is indeed a partisan figure plucked out of the air, which appeared in neither of the governing parties' manifestos, does my hon. Friend think that the Salisbury convention will apply in the other place? This provision has not been mandated by the people, so, under the Salisbury principle, it should not necessarily pass through the other place.

Chris Bryant: I hope that the House of Lords will look at this sort of measure. Historically, it has always looked at measures coming from the House of Commons, where the Government enjoy a majority by definition. Where the Lords have thought that legislation was calculated for partisan advantage, they have sought to look at it very closely. On many occasions in the past they have sought to change such legislation and make

[Chris Bryant]

the House of Commons think again. As to the Salisbury convention, one problem is that it is difficult for the Lords to work out what counts as having been in a manifesto, given that two of them are now relevant. However, the number of seats specified in the clause did not appear in either manifesto, so this does present a problem.

There is a further problem. In recent years, it has been unusual for the Government to enjoy a majority in both this House and the other place. By virtue of the fact that there are now two parties in government, there should ostensibly be a majority in the House of Lords. I am very confident, however, about their lordships' capacity for independence of mind, regardless of the whipping arrangements.

The other reason why I believe the system is being rigged, which is why I am opposed to the reduction from 650 to 600 seats, is on account of the double whammy that will apply to some parts of the United Kingdom. I am sorry if hon. Members feel I talk too much about Wales—I was about to say that I make no apology for saying that, but I have already apologised. My point is that Wales faces a double whammy. If the number of parliamentary seats had to be reduced, I would have thought that no single part of the country—particularly a constituent element of the Union—should be so disproportionately affected in one fell swoop. Reducing the number of parliamentary seats in Wales by 25%, while no other part of the United Kingdom is to suffer such an immediate cut, will be detrimental to the relationship between Wales and the rest of the United Kingdom and will merely inflame the thoughts of nationalism that already exist in Wales.

Gavin Barwell (Croydon Central) (Con): Did not the last Labour Government reduce the number of seats in Scotland, while making no changes anywhere else in the United Kingdom?

Chris Bryant: The hon. Gentleman knows perfectly well that the number of seats in Scotland was reduced as a result of lengthy consultation there, not just of political parties but of the whole of society. There was a long convention that lasted for several years before the 1997 general election, which led to the Scotland Act 1998, the referendum, the creation of the Scottish Parliament—of which we are very proud—and, in exchange for that, a reduction in the number of seats in Scotland. The hon. Gentleman has just voted against a measure that would have prevented the Boundary Commission from reporting until after a referendum had been held in Wales on the powers that should be available to the Welsh Assembly. There is an inconsistency in what he is arguing.

Ms Louise Bagshawe (Corby) (Con): The hon. Gentleman speaks of inconsistency. Is it not ironic that he should use the word "disproportionate" to describe what would happen in Wales as a result of the Bill, given that what would actually happen is that proportionate weight would be given to Welsh votes, as to the votes of any other electors in United Kingdom?

Chris Bryant: As I tried to argue earlier and will argue again, that simply is not the way in which, historically, we have put together the Parliament of the United Kingdom of Great Britain and Northern Ireland. I think that that is an important principle. If one is a Unionist—

Mr Mark Field *rose*—

Mrs Laing *rose*—

Chris Bryant: Just one moment.

I know that the constituency of the hon. Member for Corby (Ms Bagshawe) contains many people with Scottish ancestry, but I do not think that she is entirely versed in the dangers of nationalism that exist in Scotland and Wales. I merely say to her, in a gentle way, that if she really wants to maintain the strength of the Union, we ought to proceed differently.

Mr Mark Field: I agree with what the shadow Minister is trying to achieve, and, if the Committee divides on the amendment, I shall vote against the reduction. However, for two reasons, I am not sure that he is making a terribly good case.

We have discussed what happened in Scotland in 2005. There was not a great Unionist upsurge there when there was a 20% reduction in the number of seats specifically in Scotland and in no other part of the United Kingdom. Does the hon. Gentleman not recognise that his is not a terribly strong argument?

The Welsh position has been maintained since we drew up the constituencies. There were 38 protected constituencies there until 1983, and 40 thereafter. The position of Wales has been protected, and it is massively over-represented. That is the reason for the move to equalise the size of electorates, which I also fully support.

Chris Bryant: This is what I meant by the double-whammy element. Wales is caught both by the equalisation of the number of seats—we are not debating that now, but we will when we deal with the next set of amendments—and by the reduction in the number of seats. The net effect for Wales is that the number of seats will be cut by a quarter.

That presents some specific problems for Wales. It has already proved impossible for the present Government to ensure that the Secretary of State for Wales represents a Welsh seat—although I admit that she is Welsh—and it will become increasingly difficult to do so in the future. Because Wales, unlike Scotland, has never had a separate legal system, the Welsh Affairs Committee has to do a large amount of work, and that will continue. I think that it will be difficult to meet those needs with only 30 seats.

I am not arguing for the status quo in the number of Welsh seats. I am merely trying to present an argument, and I am sorry that it does not appeal to the hon. Gentleman. I hope that further elements of my speech will appeal to him more.

Mrs Laing: No one is a more ardent Unionist than I am, and I fully understand what the hon. Gentleman is saying about Wales, but he must look at the arithmetic, which is inescapable. There will be a larger reduction in the number of seats in Wales than, proportionately, in the rest of the United Kingdom because, at present, the people of Wales are over-represented in the House, as well as having a devolved Assembly, or Parliament, of their own. The hon. Gentleman cannot argue that it is

right for the people of Wales to have smaller constituencies and more Members of Parliament in the House of Commons than the people of most of England and Scotland. That simply does not make sense.

Chris Bryant: As the hon. Lady knows, there are differences between Wales and Scotland: Scotland has a Parliament which also has powers over crime and justice, which Wales does not have; Scotland has a completely different legal system, which Wales does not have; and it raises taxes, which Wales cannot do. It is a very different system, therefore.

Let me reiterate yet again that I am not saying that we want to hold to the status quo, but I think there will be a danger for the Unionist argument in Wales if we move forward in one fell swoop from having 40 seats to there being only 29 or 30. That would create problems for the future. Let me also say that I hope that Welsh Members work sufficiently hard that they provide value for the House, even though the hon. Lady thinks there are too many of us.

Phil Wilson: The Deputy Prime Minister keeps going on about this being the greatest constitutional reform legislation since 1832. The 1832 Act went on to equalise the size of constituencies but left the number of constituencies at 658; it did not reduce them at all. I believe the current Government want to reduce the number of seats in order to gerrymander the whole electoral system so that we do not have a Labour Government in the future.

Chris Bryant: My hon. Friend is absolutely right, except in one respect: the 1832 Act did not equalise the seats at all. In 1867, there was a discussion about equalising seats but that was decided against. The argument that was used then, and which has been used consistently in the past, is that it is more important for Members to represent communities than it is for there to be precisely numerically equal seats. Obviously that was, in part, because of the nature of the franchise at the time.

Glyn Davies (Montgomeryshire) (Con): I am listening carefully to the case that the hon. Gentleman is making. He seems to be saying that he is quite prepared to see the number of seats reduced from 40. Will the hon. Gentleman give us some idea as to what figure he is prepared to see, therefore? It would be interesting to know exactly what figure the Opposition have in mind.

Chris Bryant: Several amendments in the next group refer to how one might make provision specifically for Wales, but there are other places we would like to make provision for, such as Cornwall and the Isle of Wight, rather than just the three areas the Bill covers. At present, however, I am specifically addressing the proposal to reduce the total number of seats from 650 to 600.

Mr Mark Field *rose—*

Chris Bryant: I will give way to the hon. Gentleman, but I hope shortly to be able to come on to some of the arguments that he likes more than those I am addressing at present.

Mr Field: Given that the hon. Gentleman's concern is that this move would lead to an increase in Welsh nationalism, will he reflect on the fact that, prior to 1997, the rationale for having a Scottish Parliament was that that would somehow snuff out Scottish nationalism? The idea was not that there should be an Administration run by Scottish nationalists within eight years of the setting up of the Scottish Parliament. Therefore, the notion that not reducing the number of seats will be in the interests of those who do not want to see an increase in nationalism has not been borne out by the facts.

Chris Bryant: That was never my argument in favour of devolution in Scotland or Wales. My argument in favour of devolution was simply that it is better to devolve responsibility for issues that most directly affect people to the people who are most directly affected. That is why I thought it was right to establish the Scottish Parliament and the Welsh Assembly. I very much hope we will be snuffing out nationalism in Scotland come next May however, and I hope that the hon. Gentleman agrees with me on that.

There is one other reason why I think the diminution in the number of seats from 650 to 600 is a mistake, which is to do with the number of Ministers. At present, the law allows that there should be 95 Ministers, paid or unpaid, sitting in the House of Commons, and if there are any more, they are barred from sitting in the Commons. That is an important principle. The Executive, who—unusually compared with other such systems around the world—exclusively sit in Parliament, should be limited, as should the Prime Minister's patronage. If we reduce the number of seats from 650 to 600 and do not change the number of Ministers, the proportion of Parliament—the legislature—that represents the Executive will grow.

I hope that we will be moving in the opposite direction, although part of me is being somewhat hypocritical because I was an unpaid Minister for a while when I held the post that the Deputy Leader of the House now holds. The advent of so many unpaid Ministers is a shame and the number of Parliamentary Private Secretaries has also increased dramatically in recent years. Prime Ministers have sought to find other ways of extending patronage by making people vice-chair of a committee or by all sorts of other means. That is wrong, because we should be limiting the power of patronage within the legislature, so that the legislature can do a better job—I argued that when Labour was in government and I am arguing it now. That is why reducing the number of seats from 650 to 600 without reducing the number of Ministers is a mistake.

5.45 pm

It is also a mistake to fix the number of seats, by which I do not mean rig that number—I have already dealt with that argument; it did not appeal to the hon. Member for Cities of London and Westminster (Mr Field), but we will see whether I get better. We have never fixed the number of seats in the British Parliament or in the UK Parliament. The 1832 Act determined how many seats there should be, because it created a certain number of seats and abolished some others, but it did not say that the number of seats should be fixed for ever. Indeed, several other seats were added in subsequent years, including in 1867. When further people were enfranchised in 1885 it was said that there was clearly a need for a further number of seats, and each time an element of the Celtic nations was added to the British Parliament, a number of seats were added. So it is inappropriate for us to be fixing the number of seats and then saying, "We divide it up."

John Mann: Have we not now reached the crucial, salient point, which is that even in recent times Parliament has set not an absolute number, but a target—I believe that the last one was 613—for the Boundary Commission, so that an independent boundary commission, taking into account other criteria, can then set the boundaries? Is not the fundamental difference that this rather irregular Bill attempts to create an arbitrary number without building in that flexibility for an independent body to set this coherently?

Chris Bryant: My hon. Friend is absolutely right. This approach runs against the grain of how we have always done things in this House; the proposition has always been that representation in the British Parliament should be based on the communities that exist. There has been a recognition, first, that the shires needed representation. Irrespective of whether they were large or small, the shires always had exactly the same number of seats—at first they had two, then four for a while, then two again and briefly three. It was then said that towns had to be represented and the row was then about which towns genuinely represented communities. The big change in the 1832 Act was that this House said that we could not have rotten boroughs where, to all intents and purposes, there were no electors and the seat was granted by the landlord to whomever he thought fit, and instead we had to ensure that where there were genuine communities, they should have representation, with large communities having two seats and smaller communities having one.

In addition, specifically at the moments of union, this House decided that the communities involved needed representation. So under the Act of Union in 1536, when Wales was brought in, 44 Members of Parliament were allowed for Wales—it took them six years to get here, but they were here by 1542. After the Union with England Act 1707, Scotland had 45 Members—that was increased to 53 by the 1832 Act. Following the Act of Union (Ireland) 1800, Ireland had 100 Members, a number that subsequently increased to 105, reduced to 103 and was reformed again in the 20th century with the creation of the Irish Free State.

It is also important that we do not fix the number at 600 because of the way in which the Government have crafted their Bill. It rightly allows a certain flexibility, because the electorate of any constituency may be between 95% and 105% of the aimed-at electorate across the country.

Now, let us leave aside the question of whether it is right or wrong to be precise in one's mathematics and whether a further provision should allow the Boundary Commission to say that where there is an overriding further concern, such as a geographical, cultural or political concern, further leniency or flexibility should be allowed. What happens if the Boundary Commission, when it starts its process in the south of England and works up through the country or, in the case of Wales, starts in the south and goes north—or starts in the north and goes south—decides that the first 20 constituencies are best representing 95% of the quota? Does it then have to start filling in some 105% of that quota? The danger is that it will end up having to start all over again. Every time there is a new Boundary Commission, it will have to start all over again, because there will be knock-on effects from one constituency to another.

That is why I think it is wrong to fix the number at 600. If hon. Members think there should be a precise equation between the electorate in constituencies, it would be better to say that every constituency should be roughly 75,000 electors, give or take 5% or 10%. The Boundary Commission could then conclude how many seats there should be as a result of that to meet the two requirements—first, getting close to the 75,000 and, secondly, any other overriding concerns.

Tristram Hunt: Does not the figure of 600 point to the fundamental problem with the Bill, which is that it is spatchcocked with the demand for the referendum on the one hand and the reduction in the number of seats on the other? That means that no thought has been given to the role and function of a Member of Parliament, what we want from Members of Parliament and how many should fulfil that function. Instead, this has all been pooled together and pulled out of the air and that is why the Government are going to have problems.

Chris Bryant: I very much agree. One subject that I want to mention is precisely what the job of a Member of Parliament is in the modern era. That has obviously changed in the past 50 years and I pay tribute to the Liberal Democrats, because the kind of pavement politics that they advocated strongly—through which they won a number of seats in the '80s and '90s—is one thing that has changed the nature of an MP's job today. My hon. Friend is right, and I do not think that there has been any consideration of that matter at all.

Susan Elan Jones: I welcome what my hon. Friend said about the balance between the Executive and the legislature. Judging from some of the nodding of heads, other Members did too. However, does he agree with the Deputy Prime Minister, who said to the Political and Constitutional Reform Committee in July:

> "I think we have executive dominance; we have one of the most executive-led forms of government anywhere in the western world"?

I am not sure whether Nick agrees with Nick now, but does my hon. Friend?

Chris Bryant: Yes, that is true because of the structure we have in this country. Sometimes Members talk of checks and balances, which is really an import from the American system where the constitution was expressly written so as to have checks and balances. Incidentally, one of those checks and balances in the American system was that each state should have two Senators regardless of the number of people living in it. For instance, Rhode Island is tiny compared with California, which is larger economically, politically and in every other sense than a large number of countries in the world, but the two states only get two Senators in the Senate. In the British system, we do not have quite the same checks and balances—particularly if the House of Lords is dominated by a coalition in which two parties manage effectively to have control of both Houses, of the Executive and of the legislature.

I do praise some of the things that the Government have done since they took office, such as setting up the Backbench Business Committee. I hope that the whole of business could be handed over to a business committee, because I think that the role of the legislature needs to be reinforced so that the Executive is held better to account.

Various arguments have been advanced for cutting the number of MPs from 650 to 600, one of which makes international comparisons. I have heard the Deputy Prime Minister use that argument several times but it is completely fallacious. It is wrong to compare the British Parliament with the Spanish Parliament, for example, because the vast majority of Spain's Ministers do not sit in the Spanish Parliament. The Executive are not created out of the Parliament. Similarly, in other countries—the United States being the most obvious example—the Executive do not spring from the legislature, so there are not 95 people who automatically have a second job as a Minister or a Parliamentary Private Secretary. That comparison is therefore inappropriate.

If we are to make any kind of comparison, we must bear in mind differences in the level of devolution or federalisation from one country to another. Comparing the United Kingdom with Germany, for example, is inappropriate because the Länder has far more significant powers than any local authority in England and more powers than the Welsh Assembly.

David T. C. Davies (Monmouth) (Con): Does the hon. Gentleman agree that one of the checks is for the Government to allow ample time for all clauses in a Bill to be discussed? They have clearly done that on this occasion, but we will not get to relevant Welsh issues because he has spent the past half hour speaking.

Chris Bryant: Bearing in mind what the hon. Gentleman used to say when he was in opposition, I should have thought that he would support the scrutiny of legislation—and one has to talk to scrutinise legislation. No, we have not had enough time to scrutinise the Bill because there are four clauses and some schedules on which we have not had any debate at all. In addition, the Government have tabled 100 pages of amendments that we are going to debate on Monday, which means that we will not be able to debate issues such as the one that he is interested in—cutting the number of Ministers. I shall not take any lectures from him on how long one should speak in the House or on how much scrutiny there should be.

Mr Harper: Will the hon. Gentleman give way?

Chris Bryant: Of course I will give way to the eminently charming gentleman.

Mr Harper: If the hon. Gentleman thinks that the House requires more time to debate the Bill, why did he vote against the programme motion last week, which gave the House more time to debate it?

Chris Bryant: The Minister has clearly lost his marbles—it was because it did not give us enough time. The way in which the Government have behaved over this Bill has been an absolute shoddy mistake. They have consistently refused to provide enough time for us to debate the issues. *[Interruption.]* No, we did not vote against more time—we voted against the programme motion and we will continue to vote against such programme motions because we want to be able to do this job properly.

Mr Nigel Dodds (Belfast North) (DUP): Does the hon. Gentleman agree that, given the lack of pre-legislative scrutiny and the lack of cross-party consensus or discussions that are usual with this type of Bill, it is even more important to have the necessary debates and to spend time on the Bill at this stage? I am sure that the hon. Member for Monmouth (David T. C. Davies) would be arguing for that if he were in opposition.

Chris Bryant: There has been absolutely no pre-legislative scrutiny. This has not been adumbrated in anybody's manifesto and it has not been available for anybody to consider in public. There has been no public consultation and no consultation between political parties. Of course, therefore, there should be provision for each clause to be considered for at least one day on the Floor of the House, as this is a major constitutional Bill. I am sorry if Government Members are arguing the exact opposite of what they used to, but my point remains—international comparisons are inappropriate.

The Deputy Prime Minister has also sought to suggest that we have far too many Members of Parliament because other countries have far fewer, but the local population per elected member at local authority level in other countries is very different: in France it is 118 and in Germany it is 350, whereas in the United Kingdom it is 2,603. We have to look at the whole set of elected officials if we are to have a real impression of whether we have too many or too few Members of Parliament. I suspect that most voters in this country quite like having a local Member of Parliament who sits in the House. Of course, if one asks the public, particularly if one does so via the *Daily Express* or the *Daily Mail*, "Are there too many Members of Parliament?" they will all answer, "Yes," but if one asks them, "Should your town not have a Member of Parliament?" or, "Should your town be combined with another town?" they would probably answer, "No, I would prefer to have a local constituency Member of Parliament whose name I know, who is accessible and whose constituency surgery I can get to."

6 pm

Glyn Davies: As someone who is fairly new to the House and who is listening to the hon. Gentleman and trying to understand exactly what the Opposition want, I should like to ask him a question. He suggests that there should be a day's debate on every clause. The last clause simply deals with the short title. Is he suggesting that there should be a day's debate on the short title?

Chris Bryant: No. I think that that is a slightly facetious point, but we should have a day to debate a clause that will reduce the number of Members of Parliament from 650 to 600, and rejig the boundaries in a way completely different from anything in the past, without any public consultation, without the proposal appearing in any public manifesto, and without any consultation across the parties. None the less, the hon. Gentleman makes an absolutely fair point: some clauses do not need a whole day's debate.

David T. C. Davies: I thank the hon. Gentleman for giving way, although I do not want to extend the debate for too long. He must know perfectly well that two manifestos said that the number of MPs would be reduced and that the reduction now proposed is a much smaller one, which should be something that he could support.

Chris Bryant: No. I am not sure whether the hon. Gentleman was present at the beginning of my comments—he was doubtless opposing the Government's

[Chris Bryant]

measures on S4C—but as I now apparently have to rehearse the argument for him, I can tell him that I was making the point that the number has been arrived at for entirely partisan reasons. It is not the number that was in the Liberal Democrat manifesto, nor the one that was in the Conservative manifesto.

David T. C. Davies: It is higher.

Chris Bryant: Yes, it is higher than both those figures, because it manages to reach a level that hits the number of Labour seats but not the number of Liberal Democrat seats. That is why the number has been chosen, and that is why I oppose it.

Dr John Pugh (Southport) (LD): I want to calm things down a bit, and take the hon. Gentleman back to the technical point that he made before. He asked what would happen if the Boundary Commission dealt with a whole pile of seats first, got to about 95% and was perfectly satisfied, and then found, because it had to stick to the number 600, that it got into real difficulty and did some very odd things later on. If that was an issue for the Boundary Commission, we might think that some advice would have been given on it. Has he asked the Boundary Commission what its advice is on that point?

Chris Bryant: The Boundary Commission will do what it is told to do. If the law of the land changes, the Boundary Commission's powers and duties are determined by that legislation and it will do what it is required to do.

Dr Pugh: Whatever the Boundary Commission is asked to do, it can say that some tasks are more technically difficult than others. The hon. Gentleman suggests that this is a technically difficult, almost insuperable task. If that is the case, it can say so, can it not?

Chris Bryant: No, I am not saying that the task is insuperable. Of course it would be possible to draw up the constituencies in the way proposed, but why should one constituency then end up with 95% of the average electorate and another with 105%? *[Interruption.]* The Deputy Leader of the House keeps on referring to the Rhondda. He obviously has some desire either to do down the people of the Rhondda or to visit the Rhondda, but I am not extending an invitation to him.

Mr Heath: I wonder why the hon. Gentleman believes that the difference between 95% and 105% is a gross intrusion, yet that the difference between my constituency with its 82,000 possible voters, and his constituency with its 52,000, is perfectly all right and needs to be preserved.

Chris Bryant: The hon. Gentleman should not misrepresent what I have said. He knows perfectly well that I have never said that there should be a divergence between his constituency with 82,000 possible voters, and mine with 51,000. I am wholeheartedly in favour of greater equalisation. I have argued that for a long time, and the Labour party and its predecessors, going way back to the Chartists in the 1840s, argued for greater equalisation of seat sizes. But if we are to move towards equalisation do we add, on top of that, the idea of a fixed number of seats? That is what I am querying.

Roger Williams (Brecon and Radnorshire) (LD): I have listened to the hon. Gentleman's argument against 600 seats, but I do not think that I understand his argument for 650 seats, other than that it would give the Labour party an advantage. Is that a partisan argument?

Chris Bryant: Actually, staying at 650 gives the Conservative party more of an advantage.

I was about to argue that we should not cut the number of seats. I would prefer a situation in which we did not fix the total at any particular number: that is why we have framed our amendment as we have. In addition, it is important not to cut the number of Members.

Tristram Hunt: Is not the solution, as the Political and Constitutional Reform Committee has heard, to discuss what the nature of a Member is, to seek an optimum number of Members and then to introduce a rolling programme that moves towards that number, rather than an overnight slashing from 650 to 600 for nakedly partisan reasons?

Chris Bryant: That is wholly my view. That solution gets around the problems, to which I have referred, for the parts of the Union that are more dramatically affected than others, and it would be entirely in keeping with the tradition of this House, which is that we proceed by evolution rather than revolution.

I could understand the argument for reducing the number of seats from 650 to 600 if over the past 50 years the number of seats had dramatically increased in relation to the electorate. In actual fact, however, the number of seats has grown by 3% and the number of voters has increased by 25%, so if hon. Members were being honest they would say, "As we agree that the number of seats should go with the number of voters, we should argue for more seats, rather than fewer."

In addition, the job has completely and utterly changed over the past few years. In a previous debate, for which not all hon. Members were present, the hon. Member for Epping Forest (Mrs Laing) referred to casework, which is a concept in modern politics—

Mark Tami: "Social work", she said.

Chris Bryant: Indeed. As my hon. Friend says, she referred to it as social work.

I have always believed that the job of a modern Member is very different from that of somebody 40 or even 30 years ago. For a start, the advent of 24-hour news, e-mails, which arrive at 3 o'clock in the morning, mobile telephony and all the rest of it has meant that the electorate expect us to be available far more and to return their phone calls, messages, e-mails and letters far more frequently.

The number of letters on a policy issue that a Member would have received in the 1960s in any one week would have been fewer than 10. Today, I guess that most Members receive in excess of 250 letters a week on policy issues or on an individual casework issue. If we want fewer Members, but our answer to that is to give them more members of staff, thereby increasing their expenses, we will actually deracinate Members from the communities that they serve. We will make them less accessible to voters, and that is why I believe it is wrong to cut the number of Members.

John Mann: If my hon. Friend is getting only 250 communications a week, he needs to enhance his communication profile.

My intervention is on a different issue, however. My hon. Friend suggested accurately that the arbitrary number of 600 is an attempt to gerrymander the boundaries against Labour. That is clearly the attempt, but does he think that the Government have done their mathematics in a sufficiently competent way? If we do an analysis throughout the country and think of the rationale that the Boundary Commission might have chosen to adopt—had it been given any under the Bill—we find that there is obviously an issue in Wales and Northern Ireland, but that in Scotland the Liberals and the Scottish Nationalists have the smaller average seats, not Labour. Throughout England, the area where it is easiest to blur boundaries—

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): Order. The hon. Gentleman is making an intervention, not a speech, and I think that the hon. Member for Rhondda (Chris Bryant) has got the gist of the point.

Chris Bryant: That was a very good intervention none the less, Ms Primarolo.

The Second Deputy Chairman: I do not need to be picked up on that. I am not commenting at all on whether interventions are good or not; I simply point out that the convention of the House is that they should be relatively brief. That is all.

David T. C. Davies: On a point of order, Ms Primarolo. Many Welsh MPs here are desperate to discuss clause 11, which relates to the National Assembly for Wales. The Government have kindly given us enough time to discuss the clause, yet it seems quite possible that despite the Government's generosity we will not get to it. Will she advise me on how I, and other Welsh MPs who care about Wales, will be able to discuss it?

The Second Deputy Chairman: Frankly, that is not a point of order. The programme motion has been agreed by the House and Members are proceeding through the Bill, discussing what they consider to be important. As long as they remain in order, they can do so. I am sure that the hon. Gentleman is grateful for having put his point on the record. Perhaps we can now return to amendment 364.

Chris Bryant: My hon. Friend the Member for Bassetlaw (John Mann) made a good point about how seats might be doled out in the different parts of the Union. It is interesting to analyse what might happen to Sheffield: it would be quite difficult to construct a Liberal Democrat seat for Sheffield, Hallam that would survive—so there is a silver lining somewhere in the legislation.

Some communities will end up without their own representation if we cut the number of seats from 650 to 600 and insist on mathematical perfection. That is a problem.

Dr Pugh: Given what the hon. Gentleman just said about Sheffield, the gerrymandering is extraordinarily bad, is it not?

Chris Bryant: Who knows what ambitions the Deputy Prime Minister has? Perhaps he will be looking not for a Liberal Democrat seat but for another kind of seat, come the next general election.

My hon. Friend the Member for Bassetlaw excoriated me for having only 250 pieces of communication. I meant 250 letters a week; the letter, of course, is almost something from the past these days. The vast majority of the correspondence from my constituency comes in the form of a telephone call, text message, Facebook message or through some other means.

Most members of the public expect a reply from the MP, not from some flunky or somebody working in the office for free. *[Interruption.]* The hon. Member for Bristol West (Stephen Williams) is picking me up on the word "flunky". There are no flunkies working in my office—nor, for that matter, do I ever use staff who have offered to work for free. It is one of the shames of this Parliament that so many MPs should have to survive on the free staffing provided by interns. We ought to be moving towards having paid staff.

Another argument that I would adduce in favour of not cutting the numbers from 650 to 600 is that over the past 50 years Parliament has become more and more the place where career politicians intend to come, stay and make their livelihood. Many people have a much more diverse history than just having worked as a special adviser or for a political party before coming here. The hon. Member for Totnes (Dr Wollaston) is a former GP; in fact, I think that she still serves as one. As we know, the hon. Member for Corby (Ms Bagshawe) is an author—and, of course, a former member of the Labour party. She has a diverse career behind her.

Ms Bagshawe: We all make mistakes.

Chris Bryant: I am not sure whether the hon. Lady is referring to her literature or her former party membership.

This Parliament has survived because of some of the mavericks and eccentrics, and the diversity of Members that it has managed to bring in here. If we reduce the numbers from 650 to 600, it will be the mavericks and the independents who will be disappearing and we will have more of the party political placepeople. That is a problem. *[Interruption.]* The hon. Member for Rochford and Southend East (James Duddridge) is saying, rather unkindly, that I am such a placeman. *[Interruption.]* The Minister is trying to help by asking me what I think I am. I do not think that this clause is where we go into what I think I am: the meaning of life would be a bit too complicated, and it would go a little wide of the debate, Ms Primarolo.

6.15 pm

That is true historically, too. Some of the great people who have come through this House have never been Ministers, and have never spoken from the Dispatch Box. Samuel Plimsoll, who was much excoriated by his party Whips and much hated, acted as an independent—but probably ended up saving more lives through the legislation that he drove through the House than many of us will ever be able to.

I will just say—although I hate to get a small cheer—one final thing. [HON. MEMBERS: "Hooray!"] You see, they are like Pavlov's dogs—just give them the line and they

will slobber. I understand why the Prime Minister went into the general election saying that he wanted to make politics cheaper and that cutting the number of Members of Parliament would somehow restore British democracy. I understand the background against which that happened; all of us who were in the previous Parliament know the scars that this House bears because of the expenses scandal, which still rumbles on in its own way. However, it is wrong always to go down the populist line in matters of constitutional decorum, particularly the number of Members of Parliament. If we have a perfect mathematical equation for delineating the boundaries, we will end up making MPs less accessible to the public and less able to influence and be involved in decisions in their local communities. It will be more difficult for ordinary members of the public to understand who their MP is and have a relationship with them. Far from improving democracy in this country, that will undermine it further.

Roger Williams: If an electorate of 85,000 is reduced to 75,000, how does that make it more difficult for a constituent to contact his MP? Surely every MP should be equally available to their constituents.

Chris Bryant: The hon. Gentleman represents an area in Wales part of which, I guess, may end up in a constituency that is very large.

Roger Williams: It used to be larger.

Chris Bryant: That did not make it better, and it was larger in an era when the expectations of a Member of Parliament to be present and available were much reduced. There was a time when MPs, when they visited their constituencies—once a year—were greeted with a brass band. That is not true today. *[Interruption.]* It is certainly not true for me, and I can see that it is not true for anybody else either.

Stephen Williams (Bristol West) (LD): I have read the hon. Gentleman's book, and I think that he is referring to Stafford Cripps, who was greeted by a brass band when he arrived at Bristol Temple Meads. The Member who currently represents Bristol Temple Meads is certainly not greeted in that way.

Chris Bryant: The hon. Gentleman is right: I am referring to Stafford Cripps. The book is not one that is available in all good bookshops, but there is a copy in the Library should any hon. Member wish to read it.

I want to end with the words of Jim Callaghan, a former Prime Minister and a Member who represented south Wales:

> "Constituencies are not merely areas bounded by a line on a map; they are living communities with a unity, a history and a personality of their own." [*Official Report*, 19 June 1969; Vol. 785, c. 742.]

That has always been how we have done things in this House and in this country, and I believe that it is how we should continue to do them in future. That is why I have moved this amendment, and why I hope that we will not reduce the number of seats from 650 to a fixed number of 600.

Mr Mark Field: I must confess that I totally accept the need to equalise electorates, which is why I have tabled amendments in a later group, which I suspect we will not get to, suggesting that we leave out of the Bill the gerrymandering—there is no other word to use—of three Scottish seats. That has occurred through a limit of 13,000 sq km being plucked out of the sky to allow Ross, Skye and Lochaber, and probably also Caithness, Sutherland and Easter Ross, to be seen as exceptional. If we equalise constituencies it could be regrettable for such communities, but we want electorates of a similar size.

In fairness to the hon. Member for Rhondda (Chris Bryant), I think that equal constituencies will mean that we divide the country up into 10 or 15 different areas, from which we can draw up the 600 seats, rather than suddenly realising when we get to the middle of Scotland that we are 10 or 15 seats short. I fully accept the need to equalise electorates, and it is greatly to be regretted that we are not doing that for all seats. It seems that a rather grubby little compromise has been put in place. In the modern, technological era, I disagree with the idea that the Western Isles and Orkney and Shetland, the two smallest seats in the UK, should be protected. Orkney and Shetland was part of the Wick Burghs constituency at one time during the last century, and the Western Isles were part of the Ross and Cromarty and Inverness-shire constituencies. It is a bogus argument that those constituencies somehow have great historical relevance.

Mr Wayne David (Caerphilly) (Lab): The hon. Gentleman said that in his view there had been a grubby little compromise. That is quite a statement to make. Would he like to explain and elaborate on exactly what he means?

Mr Field: I believe that the compromise was perhaps made to keep the Scottish nationalists happy—*[Interruption.]* Well, the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) represents virtually no constituents in this House. I respect that, but we are living in a technological age of e-mails and so on, and I do not agree with the notion that he should maintain the privileged position of representing just 23,000 constituents, when many of us have to represent not only our statutory 70,000 or so but a significant number of non-UK nationals. There is a perfectly good case to be made, but it should not override the idea of equalising communities.

Mr MacNeil: In one respect I would love to help the hon. Gentleman, of course, because I would be quite happy for there to be no MPs from Scotland in this House at all. In the meantime, while we have to have that situation, I remind him that my constituency is the length of Wales. He is very welcome to come with me to the Western Isles and explain his views to all my constituents whom he might meet on his visit.

Mr Field: I shall certainly take the hon. Gentleman up on that; and on the first part of what he said—he and I both.

Mark Tami: I listened to what the hon. Gentleman said about the three seats in Scotland. In Wales, there could be a seat in the middle of the country that, as I said earlier, could stretch from one side of Wales to the other with a very sparse population. Why is it okay for that to be taken into account of in the case of Scotland, but not Wales?

Mr Field: I entirely agree, and I am not defending that element of the Bill.

Neither can I see any justification for a reduction in the size of the House of Commons from 650 to 600. The somewhat bogus argument that it will save £12 million a year is certainly outweighed by the fact that the alternative vote referendum will cost some £80 million to £100 million. It is also argued that our House is one of the largest legislatures, but that argument is destroyed by the fact that this Government alone have already massively increased the size of the House of Lords, by some 56 Members since May. They are now looking to stuff a whole lot more unelected Lords in there, and the proposals to make the other House even larger are an absolute disgrace, at least before there is any reform. It is entirely regrettable that there is not to be reform of the House of Commons and the House of Lords as part of the same package.

I fear, given the comments that a number of colleagues have made, that we have not been able to scrutinise the Bill properly because we have run out of time under the programme motion. It will therefore be the House of Lords that takes up the important work of examining the constitutional impact of what is being suggested. The hon. Member for Rhondda is right that nowhere in any manifesto was there a commitment to 600 seats, and all three parties committed to move to a wholly or largely elected House of Lords at the earliest possible opportunity. That now seems a long way off. I particularly regret that because it has always been the Liberal Democrats' position to democratise, and to make the House of Lords accountable to the electorate. They now hold the novel constitutional principle that the House of Lords should somehow reflect the voting at the last election. That suggests that 200 or so peers will be added to the House of Lords—a significant number of whom will come from the Liberal Democrat party.

I hope that, in so far as more people are to be added to the House of Lords, close scrutiny will be paid to ensure that former Members of the Commons who were caught up in the expenses scandal are not rewarded with a life peerage. As we have seen from the difficulty with the three peers who have been suspended and the two Conservative peers who face the courts in the next few months, there is no mechanism for getting rid of people from the House of Lords. Yet, as part of the constitutional reform, we are introducing some concept of giving our constituents a recall mechanism to get rid of Members of the Commons. The position is incongruous. Until the House of Lords has been sorted out—and certainly for so long as we stuff yet more unelected peers into the other place, which we have already done since May and will continue to do—it would be wrong to reduce the size of the Commons.

Austin Mitchell (Great Grimsby) (Lab): I rise to speak about amendments 259 and 260, which I tabled and hope to put to the vote at the end of the debate. Two features of the "General Gerrymander and Electoral Jiggery-Pokery" Bill are the most offensive. The first is the alternative vote, which is a Liberal benefit plan—Liberal Democrats hope that if we get the alternative vote, they will be everybody's second preference. Fortunately, the alternative vote is unlikely to be carried in the referendum—I shall certainly vote against it. It is rather sad that many people with whom I have worked over the years for electoral reform seem to believe that AV is a form of electoral reform. It is not—it is the stupid person's electoral reform. The only effective electoral reform is proportional representation.

Stephen Williams: If the hon. Gentleman thinks that AV is such a mistake, why did he use it to elect his own leader, and why was it in the Labour party's election manifesto?

Austin Mitchell: The leader now sees the benefits of the alternative vote, but I do not. It is not a halfway house to a system of proportional representation. Only proportional representation will allow us to manage the emerging multi-party system in the confines of the electoral system. We cannot do it with the current system, but I do not want to be detoured from my main purpose.

The second unattractive feature of the Bill is clause 9, to which amendments 259 and 260 apply. It is even more offensive because it is the "Castration of the Commons" clause. It states:

> "The number of constituencies in the United Kingdom shall be 600."

It does not say "590", "620" or "650", but "600." It would be interesting to know how the Government reached that figure. Did they have a séance, as they did for the scale of the cuts that were announced this afternoon: "£240 billion, £120 billion; £600 billion"? Did they split the difference, or did they, as my hon. Friend the Member for Rhondda (Chris Bryant) suggested—I think rightly—arrive at a figure that will lose Labour more seats than the Liberal Democrats?

The Liberals had a smaller figure in their manifesto, but it was proposed in the light of a transfer to STV, which the Liberal party has always supported, with three, four or five-Member constituencies, in which the Liberals have a greater chance of getting somebody elected. The smaller figure was not proposed for first past the post or AV. The Government wanted to cut 10% of the seats. Why? Was it an economy measure? Was it to capitalise on the discontent that *The Daily Telegraph*'s revelations about expenses produced, and to say, "We're getting rid of these greedy so-and-sos and reducing the number of people who sponge off the public purse"? Was it that sort of populism? Is that how they arrived at the figure? We need to know before we can make a judgment.

6.30 pm

Ian Lucas (Wrexham) (Lab): My hon. Friend said that the Liberal Democrats had always supported the single transferable vote. Could I remind him that he tabled an amendment recently on STV that they voted against? In fact, they should clearly change their position and say that they now oppose STV.

Austin Mitchell: The Liberals are in a determined rush to sign their own death warrant. I cannot judge them. I am trying to help them, because people should not sign their own death warrant while the balance of the mind is disturbed. I am trying to take power of attorney over them. The Liberal leader's constituency—Sheffield, Hallam—will be abolished under the Bill, so a winnable seat in Sheffield will go. He might have told his party, "At this stage in the coalition, chaps, we need

[Austin Mitchell]

a futile gesture. I want you to agree to give up your seats for this Bill." It could be that that went on, although I do not know the internal processes of the Liberals. Some of my best friends are Liberals, but I will not speak for them. I am trying to help them by tabling amendments such as the one to which my hon. Friend referred and amendment 259, which would keep the number of MPs at 650.

Graham Stringer: Does my hon. Friend agree that the single biggest weakness of the British constitution is that elected Members of the House of Commons do not have enough power in relation to the Executive? Clause 9 will further diminish the power of elected representatives.

Austin Mitchell: That is absolutely right and I agree absolutely with my hon. Friend. The real problem with the British constitution is that we do not have one. The constitution in this country is what the Government can get away with. If they can get away with clause 9, which weakens democracy and the Commons and strengthens the Executive, they can get away with more or less anything, with the willing concurrence of the supine Liberals, who are supporting a measure that will weaken them—hopefully—for their own execution.

There is no mystique to how I arrived at the figure of 650 for amendment 259. I just put it in. That is the number of MPs now and the Commons will function efficiently with it. There used to be 700 MPs in the 19th century when the Irish were here. They had to fit in a Chamber the size of this one, which seats about 420—fortunately, most of them did not come—but 650 is a good working total, which is why I chose it.

The consequence of having 600 MPs, as proposed in clause 9, is that the redistribution will be more brutal and more massive. It will be a blitzkrieg of a redistribution, but there will be no democratic controls on it. The scale of the redistribution is determined by the size of the House.

Chris Bryant: I just wanted to correct a fact that my hon. Friend gave. He said that there were 700 Members in the 19th century owing to the Irish, but in fact, the only time that there were more than 700 Members was from 1918 to 1922. That redistribution was brought about by the Liberals.

Austin Mitchell: I am grateful for my hon. Friend's intervention. I took history at university, but my thesis was on the Whig party in opposition from 1812 to 1830, which was very good preparation for being in the Labour party in the 1980s and 1990s. I did not get as far as the Irish settlement of 1922, and I always regret that. I shall go to him for some tutorials. He is obviously better informed than I am.

I arrived at the figure of 650 because that seems to work well, and I do not want a reduction. As my hon. Friend the Member for Blackley and Broughton (Graham Stringer) pointed out, a reduction in the number of MPs and a smaller House will make the Executive proportionately stronger. I would like to see some proposals from the Government to reduce the number of Executive appointments. There are more than 100, which means that they have a huge bought vote in the House to overrule the wishes of the Members. I want Members to be stronger and the Executive to be weaker, but this measure will have the opposite effect.

Mrs Anne Main (St Albans) (Con): Although I completely support the reduction in the number of Members, I have huge sympathy with the point that the hon. Gentleman makes about the Executive, because of the lack of voice. Members of the Executive do not speak on local constituency matters, and I would therefore welcome any attempts to reduce Executive numbers to increase the voice of Back Benchers proportionally.

Austin Mitchell: If the number of Members is reduced, the voice of the constituencies will be proportionally less in this House, and that is another argument for keeping the 650, as I propose. What will happen if the Executive are reduced in this House? Will we have more Executive appointments in the Lords? Will we appoint more of those grovelling chief executives and chairmen who wrote to *The Daily Telegraph* to support the Government's plans for cuts at the expense of their customers, saying in effect, "It doesn't matter how much damage you inflict on our customers and on demand for our businesses, we support the Government." That is clearly a plea for knighthoods or Government jobs. Will the Government respond to that by creating posts outside Parliament for these people? How will they reconstitute the Executive to make them less strong proportionally in a reduced House? We have heard nothing on that.

Secondly, the reduction would reduce the pool of talent from which to select Ministers and to make all the other contributions that MPs make. Heaven knows, the pool is not all that big now. We do not have all that much talent, and certainly not the level that we used to have—*[Interruption.]* Well, we have some, especially from Humberside. Our contribution is big, but it is not enough. I would like a bigger pool of talent in the House to pick Ministers from.

Most importantly, the change would reduce the service that we provide to our constituents. I have always found constituency work exciting and interesting, and a solace for my failure to be appointed to any ministerial job—or my ability to mess up any ministerial appointment that I have been offered, which has always been very short-lived because of the joys of constituency work. I find it very satisfactory—

Mr MacNeil: May I take this opportunity to place it on the record that I would have loved to see the hon. Gentleman as a Fisheries Minister at one time?

Austin Mitchell: I was hoping that the SNP would appoint me Fisheries Minister for Scotland, but that post would have been a little difficult to handle from Grimsby. I never even achieved the rank of PPS to the Minister—*[Interruption.]* I apologise, Ms Primarolo. I was led astray.

There is a genuine issue about the service that we provide to our constituents. I know that we have changed over the years from senators to servants of our constituency, and I know that the amount of work has steadily increased. That is a necessary development, because our constituents want to be heard more. We no longer have the same sort of subservient, quiet and loyal

electorate that would vote for parties and did not want their voice to be heard. People want to be heard and they want us to listen to them. They want to communicate with us and they want us to raise the problems that they raise with us. That is the job, and we would be less able to do that if there were fewer of us here.

Mr Heath: I am bemused by this concept that the figure of 600 would prevent Members of Parliament from being able to represent their constituents adequately, because the electoral quota suggested—about 76,000—already applies to a third of the House, give or take 5%. Is the hon. Gentleman saying that a third of Members are incapable of representing their constituents properly?

Austin Mitchell: The bigger the size of the constituency and the electorate, the harder it is to represent them adequately. It may be that evening up constituencies leads to areas being more adequately represented, because those areas will have smaller constituencies, but in my case it will mean a bigger constituency, and many of us are struggling to do the job now.

For example, the amount of mail is increasing all the time. Not so long ago, I read the biography of Hugh Gaitskell by Philip Williams, which was about Gaitskell in the 1950s. It said that Gaitskell's papers showed that in 1958, when he was the MP for Leeds South East, he got 50 letters a month from his constituents. I get 50 letters every couple of days, and that is in addition to all the e-mails, surgery visits and stoppings in the street in Grimsby, with people asking whether I will ask this or do that, and so on, all of which I have to scribble down. That must mean that in a larger constituency it is more difficult to serve everyone in it. That is an obvious fact. Indeed, it is getting difficult to do the job adequately with 650 Members. We need more and more staff. Fortunately, we have been given more staff, but it is not enough, although it depends on the seriousness with which one does the job.

Mrs Laing: I thank the hon. Gentleman for giving way. Nobody could do the job more seriously than he, but right at this moment he is representing his constituents in that other way. He is once again confusing his job—the job of us all—as a social worker, providing pastoral care and advice, with the job of representing our constituents as part of the democratic process. He cannot possibly argue that a man of his calibre, or the calibre of anyone sitting in the Chamber right now, cannot cope with a few thousand more constituents to represent.

Austin Mitchell: I have to say that I cannot. If the work is done properly and the job is properly tackled, it is difficult. Indeed, I cannot see how people can have outside jobs and be here.

Mr David: Does my hon. Friend agree that the important point is not just that we take up individual cases, but that having that direct contact with our constituents influences our work as parliamentarians?

Austin Mitchell: My hon. Friend is exactly right. Many of the ideas that I raised, the questions that I have asked and the things that I have debated in Westminster Hall come from constituents and constituency problems. That is the nature of democracy—that is how it has to be. We have to face the fact that the state is interacting with people and imposing things on them more than ever before.

Let us look at the flood of problems that we have had with the Child Support Agency, and the fact that a special hotline has had to be created for MPs, so that they can get through to Belfast and have incomprehensible conversations. *[Interruption.]* I appreciate the difficulties that the constituents of my hon. Friend the Member for Foyle (Mark Durkan) face doing that kind of job—if I could make it easier, I would—but it creates an enormous amount of extra work for us. The same is true of tax credits, which are extremely complex. There is all that interaction, and believe me, Ms Primarolo, there will be a lot more interaction as a result of the cuts announced today, as people come to us with problems to do with benefits, invalidity and cutting off job support. That is going to create a lot more work for us in our constituencies and a lot more work in our surgeries.

Mark Durkan: I just want to reinforce my hon. Friend's point. He has to ring Belfast about CSA cases, but he is not the only Member who has to ring people in remote parts who know nothing of the situations that we are dealing with. We in Northern Ireland experience that regularly when we deal with tax credits. In fairness, the conversations that we have with Frank in Preston are comprehensible; it is the other officials who are the problem.

6.45 pm

Austin Mitchell: I agree absolutely with that.

A number of Members would like to see us as some kind of intellectual elite, or as the senators that we perhaps used to be in the 19th century. The fact that we are now the street cleaners and the sewage cleaners of the constitutions—the slaves in the galley of the ship of state, albeit somewhat differently whipped—offends their dignity, but that is the job as it is.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Does my hon. Friend agree that it is unreasonable to deride one-to-one pastoral care of constituents as social work, partly because it necessarily informs our work as MPs but also because the more ordinary constituents meet their MP, whether at church, in an advice session or in the supermarket, the more they will respect us?

Austin Mitchell: I absolutely agree with my hon. Friend. There has been a lot of damaging criticism and abuse of MPs as a result of the revelations in *The Daily Telegraph* last year, and some of that was, frankly, scandalous. It has lowered us in the public's estimation, but people still turn to us. They need us for all the problems that they come up against. We are the defenders of last resort. We are the ombudsmen for our constituents.

Chris Bryant: But is it not also true that, especially for some of the most vulnerable people in some of the most vulnerable communities, we are the only advocates they can afford, whether we are advocating their cause here or, for example, at their bank? We represent them in all kinds of circumstances that no one would have conceived of as part of the job 50 years ago.

Austin Mitchell: I agree with my hon. Friend absolutely; he has made that point very well. That is another good title for MPs: the advocate of last resort—the people's advocate. Well, in my case, I would be their last resort because of the inarticulacy of my advocacy! But that is the nature of the job, and it is no use complaining or saying that it is beneath our dignity to tackle all these problems. It is no use doing as Enoch Powell used to do when anyone raised an issue—

The Second Deputy Chairman: Order. I realise that the hon. Gentleman is making some broader points to support his amendment, which proposes 650 Members, and if he could return to that subject I would be enormously grateful.

Austin Mitchell: I am sorry, Ms Primarolo.

I should have said that it is much easier to do this job with 650 MPs, and that it will be much more difficult if the clause passes unamended and reduces the membership of the House to 600. That is the essence of my argument. We are straining to do the job as it is, and we have had to take on more staff. We shall need even more staff if the number of MPs is reduced. It is difficult to do our job, but it is well worth doing.

Mrs Main: I had a degree of sympathy with the hon. Gentleman when he was talking about the strength of the Executive, but if he has time to make TV programmes and do other things outside the House, I cannot believe that he does not have a spare moment, or that a reduction in the number of MPs would not be feasible.

Austin Mitchell: Some of us labour under the misfortune of being better looking than others—*[Laughter.]* We might appear more on television for that reason, although my days as a television hero are long gone. The essence of my argument is that this demand comes to us from the people. This is not about us putting ourselves forward to do the work; the demand comes from the people and they have to be served.

Phil Wilson: The people who support the idea of reducing the number of MPs from 650 to 600 say that it will save about £12 million, but even they are saying that we will need more resources to look after our constituents and that we will therefore need more staff. That £12 million will disappear overnight to pay for the extra resources that we are going to need.

Austin Mitchell: My hon. Friend is right. We cannot economise on democracy. We are a basic part of our democracy. We are the protectors of the people and we cannot economise on that because the demand comes from them, and they have to be served. That is our job. Some people argue that 650 MPs is too many and that this legislature is bigger than others. Yes, it is bigger than many other legislatures, but we have to bear in mind the fact that most other systems are federal. In other words, countries such as Australia, Canada, Germany and the United States have elected representatives at several levels of government. We do not. We are the only elected representatives who can act for the people in that way. That is why the figure of 650 appears in my amendment and why there should be no reduction. The proposed reduction in clause 9, which my amendment would stop, is based on a contempt for MPs and the work that they do. I want to reject that contempt.

Mr Christopher Chope (Christchurch) (Con): I shall speak to my amendments 67 and 68. Amendment 67 would substitute the figure of 600 for 585. I tabled the amendment because at the last general election the Conservative party manifesto, on which I was privileged to be re-elected, referred to 585 seats. I have to say that I had some reservations about that part of our manifesto, because I felt that it introduced a degree of inflexibility where, as we have heard from the Political and Constitutional Affairs Committee and the Boundary Commission, it is desirable to leave the Boundary Commission with some flexibility in considering these important issues. From the outset of this Parliament, however, I have been trying to get a straight answer—either from the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper) or the Deputy Leader of the House—to the question why the figure of 600 was chosen.

I take very seriously the allegation made today by the hon. Member for Rhondda (Chris Bryant) that the figure of 600 was chosen for politically partisan reasons rather than for objective reasons pertaining to good government. I look forward to the Government responding in detail to the question of why 600, rather than 585, which was in our manifesto, was chosen. I note that the hon. Member for St Ives (Andrew George) is not yet in his place to speak to his amendment 74. It is a corresponding amendment from the Liberal Democrats, calling for a reduction to 500, which was the exact figure that the Liberal Democrats included in their manifesto, on which the hon. Gentleman was re-elected to this House. This is a very serious issue.

The suggestion that the figure of 600 has been plucked out of the air has rather damaging connotations for the credibility of the coalition Government. Let us examine the difference between 600 and 585. With 600 seats, there would be roughly 75,000 to 76,000 electors per constituency. With 585—in other words, a reduction of 2.5% on the 600 figure—an average of 1,800 or so electors would be added to every constituency. Is anyone in government arguing that it is on account of that crucial increase of another 1,800 electors per constituency that we have opted for the 600 figure rather than 585—itself a conveniently round number in the sense that it was a 10% reduction on the present size of the House?

Mr Heath *rose—*

Mr Chope: I give way to the hon. Gentleman if he wishes to intervene.

Mr Heath: I am grateful to the hon. Gentleman, but there is nothing magical about the figure of 600, just as there is nothing magical about 585. One was a 10% reduction; the other a round figure reduction of 50. The figure is not magical; it is simply an arbitrary figure that reduces the size of the House in a way that I believe is consistent with the public mood and the needs of this House.

Mr Chope: The hon. Gentleman says that it is an arbitrary figure; I am pleased that he concedes that. He says that it is consistent with the public mood, so let us examine that proposition and let us hope that he will provide some evidence for it when he responds to this debate in due course. He also says that the figure is consistent with the needs of this House. Where is the evidence for that? Why should this House comprise

600 rather than 585 Members? If, by referring to the public mood, the hon. Gentleman means the public's concern about the costs of Parliament, why at the same time as reducing the size of this House are we merrily increasing the number of people in the other place, as my hon. Friend the Member for Cities of London and Westminster (Mr Field) asked? Indeed, as he told us, the number has already increased by more than the proposed reduction here.

The Government are proposing to reduce the number of Members of Parliament by 50, but they have already increased the number of Members in the other House by well over 50—getting on for 60—and there is a prospect of substantial further increases. Where is the case for that? How can increasing the size of the unelected House at considerable additional public expense, while at the same time reducing the size of the elected House, accord with the public mood?

James Wharton (Stockton South) (Con): I have a great deal of sympathy with my hon. Friend's argument about the House of Lords, but surely the fact that one House is currently moving in the wrong direction does not mean that we should not move in the right direction.

Mr Chope: My hon. Friend has made a perfectly fair point. Let us recall, however, that although the Government have consistently argued that the problem is that this elected House is the largest in the European Union and in most legislatures, they never point out that the other House is larger than this, and that in legislatures not just in the European Union but throughout the globe the revising or upper Chamber, or the senate, is almost invariably not larger but significantly smaller than the elected Chamber. Where is the justification for maintaining a much larger second Chamber? No international relative statistics support the case for very large second Chambers, which seems to be what the Government want to introduce.

Ian Mearns (Gateshead) (Lab): The hon. Gentleman has made a pertinent point in referring to the size of second Chambers in many modern democracies around the world. The point that he has not made is that in most of those instances the second Chamber is elected, whereas our second Chamber—which is bigger than our elected Chamber—is unelected. I consider it a massive contradiction that the Government are proposing an expansion of the unelected second Chamber and a reduction in the size of the legitimate, elected Chamber.

Mr Chope: I am grateful to the hon. Gentleman for his support. While he was making his intervention, I received a communication from a Whip to the effect that, apparently, the coalition Government are committed to reducing the size of the other House. My response was "When?" I supported an excellent ten-minute rule Bill presented by my hon. Friend the Member for Wellingborough (Mr Bone), which proposed doing away with Whips in this Chamber. I am grateful to the Whip for the help that he tried to give, but I should be even more grateful if he could ensure, perhaps through those on the Front Bench, that it is put on record when we will reach a point at which the second Chamber is smaller than this elected Chamber.

Mr Dodds: The hon. Gentleman is making an excellent point, as did his hon. Friend the Member for Cities of London and Westminster (Mr Field), but is there not a clear case for presenting the proposals relating to voting, membership and size as a single reform package, given that there is bound to be a reduction at some time in the future? The fact that Whips are running around giving Members information illustrates our current problem.

Mr Chope: As so often, the right hon. Gentleman has made a fundamental point. Given that the Government have not been listening to what has been said on both sides of the Chamber throughout our debates, I hope that the other place will concentrate the Government's mind by taking control of these important issues and insisting that piecemeal constitutional legislation of the sort that we are discussing is not the answer to the country's problems, does not accord with the public mood, and is cynical in the extreme. I hope that the Bill, which has been subject to vicious timetabling and much of which will not be discussed in this Chamber, will be well and truly filleted when it reaches the other place.

Ian Lucas: The hon. Gentleman is making an important speech. Does he agree that what the public want is a straightforward approach from politicians of all parties, democratic accountability and an honest, considered discussion about amendments to the British constitution? Unfortunately, because we have discussed neither the Bill in draft nor issues relating to the House of Lords, we are not having that discussion now. My constituents are telling me that they believe that the Bill is designed for party political advantage, which diminishes this Chamber and all of us who sit in it.

7 pm

Mr Chope: I take the hon. Gentleman's point very seriously, because the allegation that there is to be constitutional change in order to try to benefit one political party over another is a very serious one. We should not allow that allegation to be spread among the electorate unless there is a justification for it. I am looking for some assurance from my hon. Friends on the Front Bench that there is no political manoeuvring and that instead this is an objective, non-partisan measure. So far, however, I have not been convinced that that is so, and I do not think the arguments put from the Opposition Front Bench and by Back Benchers on both sides of the Chamber have been properly addressed.

I have made the following point to the Deputy Prime Minister in many previous discussions in the House. There should not be a reduction in the size of the legislature without a pro rata reduction in the size of the Government. The response I have always received to that is, "Well, we don't see the need to do that as the two issues are not connected," but they are fundamentally connected. The hon. Member for Great Grimsby (Austin Mitchell) and others have already made the point that the measures under discussion will give much more power to the Executive and less power to the legislature, and that is totally at odds with what the Prime Minister said when he was Leader of the Opposition that he was going to do. He said then that he wanted to increase the power of Members of Parliament and reduce the size and power of the Executive. He said that in the run-up to the general election, and it was even spelled out in terms in the Conservative party manifesto. I hope that at the end of this debate we will hear from the Front-Bench team how they think that these measures are consistent with undertakings given to the electorate both before and during the general election campaign.

[Mr Chope]

What conceivable reason can there be for picking this arbitrary figure of 600? One rumour circulating among many of my colleagues is that the motivation behind the move is to provide another way for the Executive, through party managers and the party machine, to be able to put the frighteners on reluctant supporters of the coalition in both Government parties. Boundary Commission representatives said in evidence to the Political and Constitutional Reform Committee that as a result of these proposals every single constituency in the country will have to have significant boundary changes. The Whips have peddled a bit of misinformation, suggesting that if a Member's constituency already has about the right new number of constituents—76,000—then, "You'll be all right, Jack," but the Boundary Commission has made it clear that every single constituency boundary in the country will have to be significantly altered. What goes with that, of course, is the reselection of Members of Parliament, and what goes with that is more power for the Executive, through the party managers, to try to influence the reselection process.

Although we know that, in fact, the most independent MPs got the best results in the last general election, it does not prevent—*[Interruption.]* The hon. Member for Hackney North and Stoke Newington (Ms Abbott) is right: she had an outstanding result in the general election, on which I congratulate her, and it had nothing whatever to do with her loyalty to her party when it was in government. What she achieved sends a very important message. I hope that many of my 147 new colleagues will take that message to heart and realise that even if this Bill goes through and a change is made to almost every constituency, those who have stood up fearlessly on behalf of their constituents will do better at the ballot box, and probably in the reselection process, than those who supinely followed whatever they were told to do by the Whips. That does not alter the fact that this can be done to put the frighteners on people, because nobody quite knows what the future will bring.

Phil Wilson: The hon. Gentleman is talking about the chaos that the boundary changes will create, but if this measure goes through, that will not just occur this time around; there will be uncertainty every term, not only for all Members in this place, but for our electors. We could end up breaking the link, which we all respect, between elected politicians and their voters.

Mr Chope: The hon. Gentleman is absolutely right. A proposal that has not yet been tabled in an amendment or a new clause, but perhaps could be tabled on Report or in the other place, is for a sunset clause, in order to see how the new number works in practice, rather than allowing it to go on indefinitely. He may be interested in proposing such a sunset clause—

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): Order. Shall we concentrate on what is actually in the Bill—in particular, the issue of the number of MPs—and not on what might occur in the future?

Mr Chope: Absolutely, Ms Primarolo. I am sorry that I got slightly carried away, as a result of that intervention, in anticipating what might happen in the future.

I tabled my amendment for discussion because in the general election we promised that there would be 585 MPs, because we needed that number and it would reduce the costs of Parliament, but we are now proposing 600. That means that the costs will be reduced by less than they would have been had we opted for 585. Given what we have heard today, it appears that when the books were opened they were even worse than the worst fears of my right hon. Friends in the Government. Surely it is inconsistent with the spending decisions taken today to row back from a figure of 585 to one of 600. That gives credence to the charge made against the coalition Government that, although 600 is an arbitrary figure, it is not quite as arbitrary as we might be led to believe, because it is based on some private work that has been done suggesting that it might be to the advantage of the coalition partners, rather than the Labour party.

Mr David: The hon. Gentleman refers to "private work". Would he like to elaborate on who might have undertaken it, because he makes a fascinating point?

Mr Chope: Ms Primarolo, you have already criticised me for speculating, and I am certainly not going to speculate. All I am saying is that, before this House gives approval to a reduction in the number of MPs to a fixed number of 600, the case needs to be made and we need something more than an assertion that it is an arbitrary figure, that it accords with the public mood and that it meets the needs of this House. None of those things has been established. Apart from anything else, even if I agreed with such a move, I would not support it unless I could see evidence of a pro rata reduction in the number of Ministers and the size of the Executive, and thereby not a dilution of this House's ability to hold the Executive to account. That is my modest contribution, but I make it clear that I intend to seek re-election in the next Parliament, be there 600 or 585 constituencies, or the current number.

John Mann: I wish to address my remarks to amendments 364 and 227. I particularly wish to deal with the principle of having the number of Members of Parliament fixed at 600, because I find the fixed number particularly objectionable and dangerous. That contradicts the history of this country going back many centuries, because our system has evolved as a majority system. We have had first past the post—although the alternative vote is now being suggested—as a way of electing individual Members who represent individual constituencies. The moment that one moves towards a mathematical fixation determining the number of seats, the trip down the slippery slope towards proportional representation has begun. If the mindset is that there should be an equality of votes, however that is defined—of course there were important arguments yesterday about how to define the equality of voters and who defines the electorate—and that there should be a mathematical equation, the logical conclusion is that that can be taken further as things ebb and flow.

A further conclusion could be drawn from that, because if it is good enough for the House of Commons, it is good enough for other parts of the—I use this phrase lightly—British constitution. So the House of Lords should have a fixed number of seats and Members of that House should be aware of the likely logic that must follow, whatever that number might be. Some might

suggest—I think I once did—that if there was a fixed number, it should be as low as 100. It might be a shock to them to go so low. However, the moment one has a fixed number, one sets in place a principle that totally and absolutely contradicts every principle in establishing constituencies that this country has had before.

This is a critical principle, which seems to have been overlooked in the debate about the precise numbers. The moment we make that change, that principle will be enshrined for ever. The Deputy Prime Minister made comparisons to the Great Reform Act of 1832. I have studied that Act quite extensively, not least because the originator, John Cartwright, came up with the concept living in the house that I now occupy and would have been a constituent of mine. The original rotten borough was East Retford, with 150 voters choosing two Members of Parliament. Following the recent boundary changes, done on the basis of equalising constituencies across the county of Nottinghamshire, I now have the privilege of representing Retford, having lost the district of Warsop.

That was part of a boundary change under the current system to numerically equalise as much as possible the size of parliamentary seats. I have 20,000 new voters and I lost 10,000. I do not object to that principle. The 10,000 who went objected vehemently, because they seemed to feel that I was a good and representative Member of Parliament, but those whom I now represent were delighted to have the opportunity to vote for or against me. That was a major redistribution on the principle of equalising size, but this rotten Bill enshrines in perpetuity the concept of a mathematical arbitrary equation that each constituency will be of the same size, which has fundamental ramifications.

Mr Mark Field: I very much agree with what the hon. Gentleman has to say, but does he not recognise that we have already enshrined PR in our political system to quite a large extent, through the European Parliament since 1999, through the way we elect the Scottish Parliament, Welsh Assembly and London assembly, and through the way in which local authorities are elected in Scotland? We are going down precisely that path, but it is a slippery slope that we started down quite some time ago.

John Mann: We have had this slippery slope with the European Parliament and with how we choose its Members. Of course, the Deputy Prime Minister, apparently, was once a representative in my area—no one seems to have realised that fact, because such Members are rather distant and remote, whether they do a good job or not, because of the size of the constituency.

The interrelationship between individual and electorate that has been the basis of democracy in this country—one that other countries have, too often, moved away from in their determination to have either proportionality or equality and to have mathematical solutions to how they build a legislature—is the foundation of participative democracy. We are not just a representative democracy in this Chamber: if we are effective, we are a participatory democracy as well. That principle would be somewhat undermined by an arbitrary mathematical solution to how many Members there should be.

Dr Julian Huppert (Cambridge) (LD): If the hon. Gentleman is going to give us a long history lesson, will he at least assure us that he realises that Members of the House were elected using a transferable voting system until 1945 in some cases?

7.15 pm

John Mann: There has never been an arbitrary mathematical equation. I would be ruled out of order if I went through an historical analysis of the Great Reform Act, why Cartwright brought it forward and its relationship to the rotten boroughs, including East Retford, so I shall not, but the principle was one of expanding democracy. There was representation before it, but it was the wrong kind of representation. The principle was about participation; it was in the evolution of participatory democracy that this country led the world—not representative democracy, which we already had. The definition of democracy was changed by the Great Reform Act into one of participatory democracy and has changed over time into one in which all citizens over the age of 18 can participate.

Pete Wishart (Perth and North Perthshire) (SNP): The hon. Gentleman is talking about mathematics, so here is some maths for him: 70% of MPs in Scotland are from the Labour party but they secured only 42% of the vote. I know that he is a fair man and I feel the pain of the citizens of Warsop, but does he agree that there is something wrong with that?

The Second Deputy Chairman: Order. We are discussing the number of Members of Parliament in the House, not how they got here.

John Mann: Much though I would love to answer the hon. Member for Perth and North Perthshire (Pete Wishart), I shall refrain from doing so. Perhaps we can continue a discussion of such matters in private.

Mrs Laing: The hon. Gentleman appears to be arguing that the Committee should not decide how many Members of Parliament there ought to be, but if it is not for Parliament to take that decision, who should have the power to do so?

John Mann: The hon. Lady asks an excellent question and I shall give her a precise answer: Parliament should do so on the same basis on which it has been done before. The principle previously and now, unless this rotten Bill, particularly this part of it, is made into law, is that the House sets an ideal target, but that the Boundary Commission independently determines the boundaries within which each Member will sit using a set of criteria that relate to the history of the country, the four nations, the history of England, locality and the nature of our democracy. But that principle will be thrown out by the Bill. With the Great Reform Act, there were riots in Nottingham and years of deliberation before the Act was passed and changed the principle to one of participatory democracy and the wider franchise. Are we to break that principle after a couple of days of truncated debate in the House? Are we to have a principle, which could stand in perpetuity, of having a fixed number of MPs? The idea that we would do that is a disgrace to the House and to the traditions of our democracy.

This principle is important and the consequences are great, so let me illustrate them. I have none of the fears that the hon. Member for Christchurch (Mr Chope) discussed about the precise boundaries in my area. The boundaries were changed in the last election and my

[John Mann]

majority went up against all the predictions, so I have no fears about any such change or about who will come in and who will go out.

Of course, my constituents would strongly resist the notion that, having built a relationship with one Member of Parliament, good or bad, they should not have the opportunity to re-elect or dismiss that Member of Parliament. That principle is enshrined in our democracy, but it is endangered and partly thrown away by the arbitrary nature of setting a mathematical equation to determine the numbers. My constituency boundaries are a good example of how that would destroy the traditions of England and English democracy.

Ministers laugh at the fact that the county of Nottinghamshire, the seat of Bassetlaw and the electoral representation in Bassetlaw and Nottinghamshire have been set over the centuries, not in a few minutes or a few hours' debate, but by the very nature and history of this country. Do hon. Members know why the seat of Bassetlaw was created? Because it was a road through the forest and a route through the country. That is why Robin Hood was robbing in such places. The history and geography of this country, going back hundreds and thousands of years, have produced the shire counties.

Should my constituency's boundaries be changed arbitrarily? My situation is not unique, but it emphasises the nature of an arbitrary mathematical solution. My current boundaries and electorate are about the mean—it is not a small constituency—but a change to the south, which is precisely what has happened before, would be a change within Nottinghamshire. One bit goes in; one bit goes out. That is how the Boundary Commission has done its work over the decades. That is reasonable. It makes its decisions. I disagreed with the last one, but that is democracy: an independent body, not politicians, heard representations and made its decisions on the basis of trying to maximise equality between the seats in Nottinghamshire. That is why that change took place. Any change to the north would take us across a regional boundary—Ministers will not be bothered about regions—and a county boundary as well, into Yorkshire. I have nothing against the people of Yorkshire. That is where I come from. I am sure that I would be as popular there as I am in Nottinghamshire, so that is not the fear.

I deal with Nottinghamshire county council, Nottinghamshire police and Bassetlaw council in Nottinghamshire. The fear of the elected Member is that if we had to move over to an arbitrary base of different councils and authorities, however they are formulated by whichever Government are in power, we would be looking in different directions at once and the role of MPs in advocating for and representing their constituents would be significantly diminished.

It is not just the boundaries with Yorkshire that could be changed; there could be a change to the east, in which case we would go into Lincolnshire, perhaps into North Lincolnshire or West Lindsey council—again, entirely different local government, police and health set-ups. Of course, if the boundary was changed to the west, we would go into Derbyshire, yet another county and yet another set of police and fire authorities.

All that illustrates the point that if we do not attempt, in any system, to try to maintain as much as we can the integrity of the English counties and a direct relationship with local government, however it is structured, the role of the MP and the credibility of Parliament are diminished. That is the weakness in arbitrary mathematical equations, and it is why we all know that the Boundary Commission is in reality horrified by the notion that it would need to use some kind of mathematical equation, because the criteria that it has used over the decades have been proven. They are transparent and challengeable in the courts if anyone wants to challenge them—people have occasionally tried to do so. They are tested in the courts and they are good and rational. Each party might occasionally object to the conclusions and MPs might feel that we have been badly done by, given the nature of the change, but the process is democratic. That fundamental principle is being changed.

Gavin Barwell: The hon. Gentleman speaks with great passion, but I am not sure what his speech has to do with the amendment. He objects to the plus or minus 5% rule, which could cause constituency boundaries to cross county boundaries, but there is nothing intrinsic whatsoever in a reduction from 650 to 600, the subject of the amendment, that would have the effect that he suggests.

John Mann: The hon. Gentleman is under the misapprehension that we have a statutory limit. At the moment, we have a Boundary Commission, and the setting of an absolute figure will tie its hands, which is precisely why there could be arbitrary boundaries in a constituency such as mine, crossing county boundaries and breaking up the integrity of the English counties. That will do nothing for our democracy.

Some in this House feel that a smaller number of Members will be good for democracy, and I share some of the concerns and think that we could go much further than down to just 600 Members, but the process should be done rationally and over a significant period. In other words, there should be full consultation and thought, and the Boundary Commission should be allowed to do its work in its normal way. Politicians, for whatever reason, should not attempt to fix the result. By fixing the result, the sting in the tail not only for Liberal Members, but some Conservatives is the notion that has been sold to some Back Benchers—that a change will be bad for Labour. But any mathematician can analyse the information and show that that may well not happen in the boundary review. Given the arbitrary nature of mathematics, the opposite may well occur. In fact, any change may well have a neutral effect overall.

Nevertheless, that is the principle, and that is why the Government are rushing the measure through. But to sacrifice the English counties and the basis of our democracy simply for short-term expediency—in order to rush a Bill through and not allow the independent Boundary Commission to do its job in any way—is an outrage to our democracy, and I suggest most humbly that any decent democrat should withdraw those proposals immediately.

Martin Vickers (Cleethorpes) (Con): This is the first time that I have spoken to amendments in my name—amendments 227 and 228 are the two to which I refer—and it is unfortunate that on this first occasion I should do so against my Government, of whom I am an ardent

supporter. I appreciate that this might not be a career-enhancing move, but I feel particularly strongly about the issue.

It is irrelevant whether the number of MPs is 600, 620 or 585; it is foolish to put the Boundary Commission into a straitjacket and say, "There will be that number, with no variation." Many Members from all parts of the House will have been involved in boundary reviews, whether at constituency or ward level, and they will appreciate that the jigsaw never fits together. Equality is desirable, but it should not be the sole criterion.

I agree with the comments that have been made about community identity, but this is about more than just figures. The ancient county boundaries have been mentioned too, and they are particularly important, but my constituency completely surrounds the constituency of Great Grimsby. The hon. Member for Great Grimsby (Austin Mitchell) has left the Chamber, but it is always a pleasure to hear him speak, particularly as he is my Member of Parliament. He made a reasonable argument, but it is completely out of touch with the people whom he represents, because, in line with the manifesto on which I stood, I am actually in favour of reducing the size of the House. I see no objection to that whatever.

7.30 pm

People from my part of the world went through the experience of significant local government changes and boundary changes in the 1970s, when the arbitrary county of Humberside was created. We in the local community still live in the shadow of Humberside, because it affects local politics. People hated the whole concept, but regrettably it lives on—not only in the arbitrary region of Yorkshire and the Humber, but in Humberside police and the Humberside fire and rescue service. It contaminates political debate in the area, because people are hostile to the whole concept.

The concept came about because of some grand scheme that did not relate to the local identities that people feel. It is vital to retain those identities, and not just with counties. As I said, Cleethorpes surrounds the constituency of Great Grimsby—and I know that I speak for my constituents when I say that they would be extremely hostile to the idea of Great Grimsby being extended into Cleethorpes; they already feel dominated by Grimsby because we are in the same local authority area. The usual arguments, which we have all come across, apply: more resources go into one part of the council area than the other, and so on. It is important to retain local identity.

On other remarks that have been made, I should say that some coterminosity between constituencies and local government areas is desirable—not only because it makes life easier for us Members in dealing with various agencies, but because it helps to reflect the identities of the area. I hope that as this legislation goes through the House, the Government will consider allowing the Boundary Commission some flexibility.

Tristram Hunt: I do not wish to speak for too long, because we need to get on to the Government's plans for the immolation of the Duchy of Cornwall. However, I do want to speak in favour of amendments 364 and 259. I want to focus on the rationale for the move from 650 MPs to 600. Like many other Opposition Members, I am in favour of broader equality between the electorates in our constituencies, and as a result, I am potentially in favour of a reduction in the number of Members of Parliament. However, as we have clearly seen, if anyone could have come up with a way not to do it, it would be the Bill before us.

We have heard from the Deputy Leader of the House that the intellectual rationale behind the move from 650 to 600 was that it was an arbitrary number, but seemed to have some magic. I am no scientific rationalist, but it seems to me that that might not be the most sophisticated way in which to develop public policy—particularly on something with such dramatic consequences. I suggest that if we are to move from 650 to 600, we need a greater purpose than that.

If we wanted to begin the process with some degree of intellectual consideration, we might begin to think about the role and function of Members of Parliament—what we want them to achieve, and their roles in the community and in the House. We might think about demographic changes, the move from market towns to cities, migration or citizenship. We might think intelligently about the future, and what the role of the Member of Parliament should be in it. As a result of such consideration, the number of Members of Parliament might go up or down. Having worked out that fundamental principle, we might begin to think of a point to which we wanted to head, over the course of Parliaments—but we might not have pulled all that together in a shoddily constituted Bill, rammed through this place with no pre-legislative scrutiny, especially as it deals with what I would have thought was a rather important matter of public policy for this House, and as we respect our democratic traditions, which are admired right around the world.

Thomas Docherty: My hon. Friend's knowledge is second to none in this House. Can he tell me, as someone who is not as knowledgeable, whether he can think of an example from the past when there has been a review of the number of constituencies that has been as rushed or ill-thought-out as the one that we now face?

Tristram Hunt: My hon. Friend asks a very good question. My lack of historical knowledge comes to the fore, because I can think of no other example. Perhaps the Rump Parliament would come to mind, or some other innovations during the 1650s. I think that we are seeing certain Cromwellian attributes appearing among those on the Government Benches. Like many others, I am new to this place, but I understand that we used to hear a great many lectures from Members who are now in government about the right to discuss public policy at length and not to have it rammed through.

The Conservative manifesto, about which the hon. Member for Christchurch (Mr Chope) spoke so eloquently—unlike some of his colleagues, he actually still believes in what he stood for at the election—suggested reducing the number of Members of Parliament to 585, while the Liberal Democrat manifesto went for 500 seats. On the principle of compromise and the coalition agreement, one would have thought that they might bisect the two figures—that there might be a rationale for 542 or, if we are generous, 543, to allow the Isle of Wight to remain whole. But no, they have gone for the magical figure of 600, without any real rationale.

Some of the arguments this evening have been about making politics cheaper. Without making a cheap joke, I think that the coalition has made politics cheaper. It

[Tristram Hunt]

has cheapened public debate by reneging on pretty much all its other manifesto commitments over the past few months. We are told that this is potentially going to save £12 million—but we have not been given the costings for the packing of the House of Lords, which is proceeding as we speak. We do not know the full costs of the referendum. It is particularly apposite, on a day when we have heard about so many cuts in other parts of the budget, that we are allocating money to that.

Mr MacNeil: Is there not a great danger, with the moves that are being made, that we will end up with a democracy that has, as a percentage, fewer elected Members and more appointed legislators than we had before?

Tristram Hunt: I thank the hon. Gentleman for that point. It is extraordinary to have begun this process without thinking about the interrelationship between this place and the other place. One does not have to be a Newtonian to think that for every force there is an equal and opposite counter-force. *[Interruption.]* I am hearing more and more sedentary comments from the Deputy Leader of the House; I do not know if that is the usual form from him.

One would have thought that all these things would be pulled together in an overarching Bill that had some degree of intellectual credibility in terms of the British constitution and the role of this place and the other place. Instead, we have an arbitrary figure of 600, and meanwhile many more people are being placed in the House of Lords. The international comparisons steadily fall away when we think about the federal structure of many other European nations, local rates of representation in many other European nations, the interrelationship between the two parts of bicameral Parliaments, both nationally and internationally, and the role of Members of Parliament today in terms of the volume of work that they do.

The move from 650 to 600 will be an extraordinarily speedy process. I have had the great pleasure of sitting with some other Members present in the Chamber on the Political and Constitutional Reform Committee, and we have heard time and again from independent witnesses, scholars and constitutionalists that the speed of this process is unacceptable and will lead to mistakes. Lewis Baston, from Democratic Audit, said to the Welsh Affairs Committee:

> "I am concerned about the speed with which this is being brought through. It seems to be an absolute priority to get the new boundaries in place for 2015, rather than to get them right and to consider some of the principles involved. I would much rather we did this properly."

Many Members share that view.

Above all, the problem with the arbitrary collapse from 650 seats to 600, as my hon. Friend the Member for Bassetlaw (John Mann) so eloquently and brilliantly enunciated, is the total absence of sentiment or feel for the nature of either the United Kingdom or the British constitution. The UK is not something to be placed under a slide rule and arbitrarily cut up on the basis of a figure of 76,000. There are interrelationships of complex formations between Wales, Scotland, England, the Isle of Wight, the Isles of Scilly and the historic Duchy of Scotland—*[Interruption.]* Or Cornwall, even.

It surprises me all the more that the move from 650 to 600 is being driven by the Conservative party, which I had always thought was interested in tradition, identity, locality and community rather than in utilitarian butchery of the historic constitution of this country. We have been here before; one would have thought that the Conservative party might have learned the lessons of Edward Heath, but it seems to be intent on repeating them. The grotesque local authority rationalisations of the mid-1970s were done on exactly the same principle of utilitarian Benthamite thinking, with no feel for locality or historic identity. People did not like them and rebelled against them. The Bill has blown apart the "big society", because there is no sense of locality, identity or tradition in it. Instead, it is rampant Cromwellian statism.

I believe that the reason for the arbitrary figure of 600 is simply that it is a big round number, and the Government thought it made sense. I suggest that this place deserves slightly more thought to be given to that matter. The arbitrary move to 600 was not in the manifesto of either of the governing parties, and it has no popular mandate. As a result, I am more and more convinced that the other place has no obligation to adhere to the Salisbury convention and pass the Bill. There is no popular mandate for the change, so we might lose temporarily in this House, but I hope the other place will help us win the war—even as the Government, shamefully and against the constitutional principles of this country, continue to pack it.

Mrs Laing: It is a great pleasure to follow the hon. Member for Stoke-on-Trent Central (Tristram Hunt), who is my colleague on the Political and Constitutional Reform Committee. I disagreed with almost everything he said, but he almost had me persuaded when he talked of Benthamites and Cromwellian statism. I am not a Benthamite, and I am not a statist, but—[HON. MEMBERS: "Come over here!"] No, there is more coming. His argument was the most powerful and coherent that we have heard this evening. However, one point was missing, which was the integrity that equalising seat sizes and constituencies will give this place.

Only two issues really matter in relation to this group of amendments, although we have heard much special pleading, not from the hon. Gentleman but from other Members who are clearly concerned about their own constituencies and positions and how their political future might develop if these changes are made to the constitution. That is not what we should be discussing. We should be discussing principle, as the hon. Member for Stoke-on-Trent Central just did.

7.45 pm

There are only two principles here. First, somebody, somewhere has to choose the correct number of Members of this House. It was strange to hear the hon. Member for Rhondda (Chris Bryant) speak about the number 600 as if it had—or lacked—some mystical force.

Austin Mitchell: How about 666?

Mrs Laing: I cannot resist the hon. Gentleman's sedentary comment. I believe that there is something about 666, though I am not an adherent to that principle either—for me, it goes with Benthamism. I am therefore

glad that we are not discussing 666, but why not 600? It is a reasonable, round number. We have to choose a number for Members of Parliament. [HON. MEMBERS: "No, we don't."] I am arguing that we have to choose a number; that it is correct for Parliament to do so. We have talked much about the Great Reform Act of 1832, but the subject of how many Members there should be has not been properly discussed for a long time.

John Mann: Yes, it has.

Mrs Laing: Not for a very long time, and the hon. Gentleman should not shout.

The matter is being discussed properly now, and there is nothing wrong with the figure of 600. It is a perfectly reasonable, round number.

Mr Andrew Love (Edmonton) (Lab/Co-op): The hon. Lady speaks about principles. Should it not be a principle of the measure, since it proposes a change in our constitutional arrangements that is unprecedented in modern times, that at least some public consultation and cross-party discussions take place before anything comes before the House?

Mrs Laing: This is a cross-party discussion. We are all here in the Chamber having an open, cross-party discussion. There has not been very much time to consider the Bill, but there have been several months. The Select Committee on Political and Constitutional Reform has examined it, and we have all received e-mails, letters, papers and so on from people around the country who are concerned one way or the other. There has been consultation—that is why we are here. The debate that we are holding at this very moment is consultation. It is right that we have that discussion, and that the House makes a decision about numbers.

I put it to the Committee simply that 600 is a perfectly reasonable number. It is hard to argue against it unless one is doing special pleading on behalf of one's constituency or county. The hon. Member for Stoke-on-Trent Central spoke eloquently about our country's development, traditions and communities. Communities and traditions develop once boundaries are drawn. My constituency has a part in the north and a part in the south that have little in common with one another, although they are not far apart. However, they join together as a constituency and a district. If another part comes in or goes out, that becomes the community. Communities evolve, and nothing in the Bill will destroy the traditional counties of England.

Thomas Docherty: I thank the hon. Lady for being as gracious as ever in taking interventions. Obviously, she and her new-found Liberal Democrat friends are passionate believers in localism. How does not holding public inquiries and arbitrarily forming constituencies sit comfortably with her idea of localism?

Mrs Laing: I did not say that I was particularly concerned about localism. I am concerned about the equalisation of the size of constituencies. Perhaps some of my colleagues are concerned about localism, but I am far more concerned about democracy.

Fiona Mactaggart: I share the hon. Lady's concern about democracy. I am the only Labour Member of Parliament in Berkshire and I have substantially more constituents than any other Berkshire Member, so I cannot be accused of special pleading. However, if the ambition is to get equal-sized constituencies—I share the hon. Lady's belief in that principle—would not it be better to do it in a way that respects local communities, and to do it slowly, over time, thereby producing the number? I suppose the Conservative party would normally describe that as "evolving." Would not that be preferable to—to borrow a phrase from my hon. Friend the Member for Stoke-on-Trent Central (Tristram Hunt)—the Cromwellian hatchet that cutting 50 seats constitutes?

Mrs Laing: I agree in principle with everything the hon. Lady says, but I would argue that three years is quite sufficient time for the Boundary Commission to undertake the task before it. The decision on the principle of the work going ahead can be taken in the Chamber over these few weeks of discussions on the Bill, and three years is quite long enough for the commission to do its work. The hon. Lady agrees with me on the principle of equalisation. Once a principle is established, it ought to be put into practice as soon as possible. Three years is plenty of time.

Mark Durkan: The hon. Lady says that 600 is a reasonable figure in the same way that the Independent Parliamentary Standards Authority asserts that the figures it comes up with are reasonable. The problem is the rigid application of that reasonable figure, which will give rise to all sorts of problems and contradictions for which this House will be blamed.

Mrs Laing: I have been insulted many times in this Chamber, but I have never, ever been compared with IPSA before. I entirely disagree with the hon. Gentleman. There is proper consultation. Opposition Members speak as if the Boundary Commission is not involved in the process, but it is, and it has three years to do its job. It is perfectly capable of doing that job. The resources are in place and there is no problem.

Thomas Docherty: I am fascinated by the hon. Lady's new-found passion for quangos, which is perhaps a good description of the Boundary Commission, because it is unelected. However, does she accept that crucially, the Government are removing the public inquiry and the right of local people to give their input when the Boundary Commission has produced a report? That is not liberal or democratic, and it is not in the finest traditions of the Conservative party.

Mrs Laing: I understand the hon. Gentleman's argument, but with respect, he is wrong. Very few local people made representations to boundary commissions in the last review and the previous one; most representations were made by political parties.

John Mann: Nonsense!

Mrs Laing: That is a fact.

Chris Bryant: In that case, will the hon. Lady explain why somebody might have said this at the Oxfordshire boundary inquiry in 2003:

"Somebody might take the view that...there are already too many Members of Parliament at Westminster. They may take the

[Chris Bryant]

view, depending on what happens in the European constitution, that Westminster has less to do, with less MPs—I certainly hope that is not the case"?

That was the right hon. Member for Witney (Mr Cameron).

Mrs Laing: I am sure that my right hon. Friend meant what he said. I do not disagree with him—what he said is fine. The hon. Gentleman is forgetting that we are talking about an evolving political situation and an evolving world. As other hon. Members have said, the whole situation is evolving, which is why it is time for the House to look at itself, count its numbers and consider what is right.

The hon. Member for Great Grimsby (Austin Mitchell) and I had an exchange yesterday on alphabetical preferences on ballot papers, which is relevant to the proposal for 600 MPs. I am no longer concerned about alphabetical preferences. Since yesterday, when he said that he could call himself A1 Austin and I could call myself Mrs Aardvark, I am pleased to tell him that I have received, by e-mail, a proposal of marriage from a Mr Aaron Aardvark. I had to decline that kind proposal because I could not possibly involve the poor gentleman in the expense of marrying me in order to improve my electoral prospects. That would be gerrymandering and manipulation of the system beyond the call of duty. However, it was a helpful discussion.

The real principle before us this evening is one vote, one value. That is what democracy is all about. Every Member who is elected to this House should be elected by an equal number of voters, at least potentially—*[Interruption.]* Of course we have a tolerance level of 5%.

Chris Bryant: And an equal turnout?

Mrs Laing: I should not respond to sedentary interventions, but we are not talking about turnout, as hon. Members know. We are rather more sophisticated than to go down to that level. Potentially, every Member should be elected by an equal number of voters.

Phil Wilson: Nobody really disagrees with the point about equal-sized constituencies. What we are looking forward to hearing from the hon. Lady is an argument about why we need to reduce the number of seats from 650 to 600, other than that she likes the number 600. That is the only reason that she has given us. I like the number 650, and I will make an argument for why it should stay at that. I need an argument from the hon. Lady as to why it should be reduced to 600.

Mrs Laing: Why should it be 650? Why should it not be 700 or 542? Pick a number out of the hat, or do the lottery. Six hundred is a perfectly reasonable number and as good as any other number—*[Interruption.]* It is a workable number, and it is also reasonable to reduce the size of the House in the interest of a more efficient democracy.

Mr Andrew Turner: We have to be within a 95% to 105% range, and that may be reasonable, but some exceptions apply, including my constituency, the western isles and Orkney and Shetland. Can my hon. Friend explain what it is that makes the latter two right and mine wrong?

Mrs Laing: I am glad to say to my hon. Friend that it is not for me to answer that question, but I will give him my opinion, which counts as nothing more than that. We should achieve real equality and I do not think that we should have exceptions for Orkney and Shetland and the western isles. If we are having a simple arithmetical equality, we should stick to it.

Stephen Gilbert (St Austell and Newquay) (LD): Will the hon. Lady give way?

Mrs Laing: No, I have spoken for long enough. It is important to stick to equality. Once that principle is accepted, it should be adhered to. Of course, we need to have a 5% tolerance for the sake of practicality and because the Boundary Commission must be able to apply the rules reasonably, but we should stick to equality. This House is about looking at the politics and the principle, not about special pleading for particular constituencies and particular Members and their convenience. I urge the Committee to accept that 600 is a perfectly reasonable number and that equalisation—one vote, one value—is the important democratic principle.

Mr Syms: Listening to this debate, one would think that something major and radical was happening to our parliamentary system. In fact, what is being proposed is an extremely modest change, which I welcome, because more radical change would be unwelcome to most Members of the House. We have heard a number of Members talk about boundary commissions and history, but the Boundary Commission is only a post-war invention. It is something that our country can be proud of, because it tries to draw boundaries in a neutral way, while taking into account local interest.

8 pm

The only changes in the Bill are, first, the proposal to keep constituencies nearer to certain numbers, because there is currently a vast disparity in seats—and this after the first election on the new boundaries—which causes unfairness. Secondly, anyone who has been to a public inquiry held by the Boundary Commission will know that they tend to be attended by Labour, Liberal and Conservative agents and Members of Parliament, who all make representations. Sometimes local government is involved, but inquiries of that sort are not something that members of the public are necessarily aware of or want to go to. Therefore, 12 weeks in which to write in to make representations, which is also provided for in the Bill, is not unreasonable, and I am sure that the Boundary Commission, in its normal, impartial way, will take such representations into account. However, if Members are worried, they just have to ensure that lots of people write in, and I am sure that when personal interest comes into it, that will be the case.

The most radical part of the Bill is the reduction in the size of the House of Commons, but it is not very radical, because it essentially means that our electorates will increase on average by 5,000 or 6,000, which is not very dramatic. In fact, for many Members, their electorates will decrease by 5,000 or 6,000, because they are already

larger than the size that has been chosen. There is a pinch point and a difficulty, which we may talk about later if we get there, to do with crossing county boundaries, which will cause the Government endless headaches. Nevertheless, what we have is, broadly, a modest change.

I sat on the Opposition Benches for a number of years and saw the previous Government introduce various constitutional changes. They included the change in the boundaries for the European Parliament, which was done without consultation, without the Boundary Commission being involved and, I think, without even a manifesto commitment, so we saw the previous Government do all sorts of awful things. The reality is that we are making a modest change, in order to go for some kind of equalisation, which is the basis of fairness.

Phil Wilson: Can we not go for equalised numbers without reducing the number of seats? I am sorry to interrupt the hon. Gentleman's love-in with the number 600, but essentially we need to hear an argument. Nobody is disagreeing that we perhaps need more equalised constituencies, but why reduce the number of seats, especially when the average number of constituencies since the war has been about 649 or 650? It has stayed at that level for 60 or 70 years. Why radically reduce it now?

Mr Syms: Most Parliaments set their own size—that is part of most constitutions—but two that do not are the UK Parliament and the Bundestag in Germany. The reason the Bundestag does not do so is that it has a list system to compensate the first-past-the-post Members, and when the German electoral commission looks at the arithmetic division of the proportional votes, to ensure that they are proportionate, it can adjust the size of the Bundestag, sometimes by up to a dozen seats. However, the history of this country is that, by and large, we have allowed the Boundary Commission to go out and draw up the boundaries, and then to come back with numbers. However, what happens is that there is creep. Every time we have a boundary commission, the numbers go up. *[Interruption.]* No, they do, with one exception, which is when the numbers for Scotland are reduced. On the whole, however, the numbers creep up. Therefore, with this Bill, we are being asked to give guidance to the Boundary Commission, so that it can go away and then come back with a report.

Chris Bryant: How can the hon. Gentleman explain, then, the fact that there were 659 MPs in the previous Parliament, while there are 650 in this Parliament? What he is saying is patently untrue.

Mr Syms: But that is principally because of the changes in Scotland, which, incidentally—

Chris Bryant: No, it is not.

Mr Syms: It is; it happened because of the Scottish reduction. The reality is that we need to build a slight reduction into the system, otherwise we will have a constant creep-up of the numbers. Is it very much more difficult to represent 76,000 electors than it is to represent 69,000? I do not think that it is terribly difficult—we have the staff and the commitment to do it. All that we are talking about is drawing up fair boundaries, with a modest reduction in the House, which is not going to make a major difference to most people in this House, except in Wales.

The problem with Wales is over-representation. There have been changes in Northern Ireland, where the number of seats was increased because the constituencies were very large, as well as in Scotland and England; Wales is the one part of the Union that is out of line. I understand the pain and difficulty that the proposals will cause in Wales, because there will be quite a radical change there, but throughout most of the UK, it will be a very modest change indeed.

John Mann: The hon. Gentleman's argument would be more consistent if he were to tell us why he sees a problem arising if county boundaries in England are crossed. The moment those boundaries start to be crossed at random, we shall have an entirely different solution in England.

Mr Syms: The hon. Gentleman makes a good point. For historic reasons, it will depend on where any such changes might be made. This is one of the arguments that he will be able to put to the Boundary Commission when it brings forward its proposals—*[Interruption.]* Yes, he will; people will still have the capacity to make representations to the commission on the reports on the constituencies.

Chris Bryant: I am sorry, but the hon. Gentleman is wrong. People will be able to make representations only in writing, and they will not know what representations other people have made. They will not be able to inform their arguments through debate. Consequently, we shall not have the fullness of the public inquiry process that we have at the moment. With such radical changes being proposed for the whole of the country, surely it would make sense to maintain public inquiries.

Mr Syms: I do not agree with the hon. Gentleman. The system that is being brought in will provide for a 12-week period in which people will be allowed to make representations—*[Interruption.]* Twelve weeks is a long time. If there is real concern about crossing a county boundary, I am sure that parish councils, local authorities, MPs and councillors will be able to make full representations in that time, and that the Boundary Commission will be able to hear them and come to a decision.

Gavin Barwell: There has been hardly any discussion tonight about the existing rules. Will my hon. Friend put on record the fact that, under the rules under which the Boundary Commission currently works, county boundaries can be crossed?

Mr Syms: That is absolutely the case.

Stephen Gilbert: As I understand it, the next group of amendments deals with cases of boundaries impinging on existing county boundaries. A number of Members are anxious to move on to that debate; it certainly affects my constituents in Cornwall, and I can see others in the Chamber, including my hon. Friend the Member for Isle of Wight (Mr Turner), who will have an interest in the matter. Does my hon. Friend the

[Stephen Gilbert]

Member for Poole (Mr Syms) agree that that group of amendments will indeed deal with that matter? Perhaps we could move on to it.

Mr Syms: In the interests of coalition solidarity, I shall finish my speech.

Andrew George (St Ives) (LD): Given that there will be two Front-Bench speeches in addition to other people speaking, and that two votes might be called on this issue, I fear that we might not reach the next group of amendments, although I know that people are anxious to debate those issues. I shall therefore keep my remarks brief.

There are two amendments in my name that are intended to probe the numbers issue. One would replace the figure of 600 with 500, and the purpose of that is to tease out the issue, although it has been reasonably well teased out already. We have debated the numbers and why we need to arrive at one hard and fast figure, rather than setting a number as a target or guide for the Boundary Commission to pursue.

Concern has understandably been expressed tonight about the rigidity of the drafting of the proposals, in that they offer no flexibility to take into account the whole range of factors that have been properly and articulately expressed so far. That straitjacket will result in antiseptic constituencies whose boundaries are perpetually mobile between each election, and I do not think that would be good for the House or for democracy. We want the Boundary Commission to have sufficient discretion to work towards a target while taking into account reasonable geographical, cultural and electoral issues.

We also want the Government to allow places collectively to make decisions for themselves, provided that they do not ask for any special favours. In other words, when it comes to numbers, those in Cornwall are not asking for favourable treatment, but for distinctive treatment. Having 600 Members might result in an MP representing Cornwall having to give up part of a seat in order to achieve proper respect for the boundary between Cornwall and Isles of Scilly. I specified the 500 figure in a private Member's Bill in October 2003—part of a long campaign in which I have sought to demonstrate to the public that we can achieve efficiencies ourselves and save money.

The impact of devolution and the need to save money and to make international comparisons are issues that have been articulated well so far. I hope, however, that we will have an opportunity to move on to the second string.

Stephen Williams: I, too, will try to be brief, as I know some colleagues want to speak on the second string. This clause has huge ramifications, some of which I agree with—notably the equalisation of boundaries. We have just had an enormous boundary change in Bristol. I lost 30,000 electors whom I used to represent in 2005, but gained 30,000 electors from another part of the city at this election. The number of my electorate is pretty much the same as it was five years ago. It is 82,728, with my neighbour the hon. Member for Bristol East (Kerry McCarthy) representing 69,448 electors. Within the same unitary authority, one MP has 13,280 more electors to represent than another. That is surely an anomaly that has to be corrected. That is why I believe it important to have frequent boundary reviews, not 10-yearly or with even longer intervals as we have experienced before.

Phil Wilson: The hon. Gentleman says it is all about equalising constituencies, something people do not necessarily disagree with. Why, however, do we need to reduce the number of MPs to achieve that? We could simply divide the electorate by the number of MPs—irrespective of whether there are 650 or 600 MPs. We could equalise the constituencies on that basis.

Stephen Williams: I was just coming on to the reduction from 650 to 600, and I would like to offer some friendly scepticism to my colleagues on the Government Front Bench. The Deputy Leader of the House was candid enough to say that reducing the House of Commons by 50 Members was arbitrary, but I am even more concerned about this number being arrived at without full knowledge of the whole package of constitutional reforms that this coalition Government are going to introduce.

I know that the Deputy Prime Minister has an ambitious programme of constitutional reform for the future, but we do not yet know the detail. We do not know the composition of what I hope will be a wholly elected second Chamber. We do not know what its powers will be or whether it will reflect the four member nations and regions of the United Kingdom. That makes it difficult to deal with the issue raised several times by the hon. Member for Rhondda (Chris Bryant)—that of giving more recognition within Parliament to Wales. I think that could be dealt with more properly in an elected second Chamber than here. We still do not know whether more powers are to be given to English city regions. Full devolution has been granted to Scotland, Northern Ireland, Wales and to London, but English local government certainly needs radical reform and more powers.

We have heard about cost—I do not believe that it provides a good reason for reducing the size of the House of Commons—and about international comparisons. France, for instance, has 577 seats and Germany 622, but as we heard earlier, they have far greater devolved Administrations and Bristol's twinned cities of Bordeaux and Hanover have enormous powers in comparison with those of my colleagues who run the city of Bristol.

Mark Tami: The hon. Gentleman is making a powerful argument. Could it be summed up in the phrase, "Putting the cart before the horse"?

Stephen Williams: That is the hon. Gentleman's phrase and he has put it on the record.

The number of politicians to whom people in Bristol can turn is very small. I live in the Cabot ward of the city of Bristol—a ward I used to represent on Avon county council and Bristol city council. If any electors—any of my neighbours in Kingsdown—want to complain about an issue affecting them, they can approach me, their Member of Parliament, or Alex Woodman or Mark Wright, their two city councillors. That is just three politicians: those are the only people to whom electors can turn if they have concerns about Bristol matters, national matters or international matters.

8.15 pm

As the Deputy Leader of the House knows, I was most disappointed not to be able to go to the Liberal Democrat party conference in Liverpool this year. I was on a cross-party visit to the United States with four Labour Members of Parliament—one, the hon. Member for Dunfermline and West Fife (Thomas Docherty), is with us this evening—and three Conservative Members. We spent time learning about the federal government of the United States, and in particular about the state of Michigan when we were in the state capital, Lansing.

The United States is to hold elections in the first week of November. I have a sample ballot paper—not an original—from the East Lansing area of the state of Michigan, which the electoral registration officer allowed us to take away. Let me run through all the politicians who are to be elected: the governor, the lieutenant-governor, the secretary of state, the attorney-general, the US congressman for the eighth district of Michigan, the state senator for the 23rd district, the state senator for the 69th district, two members of the Michigan board of state education, a regent of the University of Michigan—of which there are two—a trustee of Michigan State university—of which there are two—the governor of Wayne State university—of which there are two—

Stephen Gilbert *rose*—

Stephen Williams: I have not finished yet, but I will give way.

Stephen Gilbert: I thank my hon. Friend. This brings me neatly to my intervention, which is made in the spirit of coalition politics. Given that I intervened earlier on the hon. Member for Poole (Mr Syms), I now intervene on my hon. Friend to remind him of the time.

Stephen Williams: Then there is the state commissioner of the county of Ingham, and then there are all the judges to be elected: two judges for the Supreme Court, one for the court of appeals, and the incumbent and non-incumbent circuit judges for the 30th district. There are also a number of state propositions like the referendum that we are discussing.

There will not be elections for all the officers and elected representatives on 4 November this year. There will be no elections for Lansing or East Lansing local councillors, for a directly elected mayor or a directly elected sheriff, or for the two United States Senators who could represent the people from the state of Michigan; and, of course, there will no election for the President or Vice-President, or for all the appointed politicians who help to run Michigan and the United States.

It is clear that a person living in Michigan could potentially turn to a huge number of politicians, both elected and appointed, to resolve their problems. In my city of Bristol, however, there are only three to whom electors can turn. If we are honest with ourselves, instead of worrying about the cost of politics we should admit that we actually do politics rather cheaply in this country. Rather than electing school boards, as they do in the United States, we have school governors—people who give their time freely to serve their communities. Rather than electing judges, we have either appointed judges or numerous magistrates who give their time freely as well.

A reduction to save costs does not seem justified to me, and it is not yet justified in the context of a wider package of constitutional reform both of this Parliament and of the way in which we govern our localities. I look to the Deputy Leader of the House for assurances that we will be given a comprehensive package of political reform to put this reduction into a proper context.

Mark Durkan: Like other Members, I am keen for us to reach the next set of amendments, so I shall make only a couple of points.

Arguments are being presented about whether there should be 650 Members of Parliament or 600. The problem that I have with all the figures—including the 585 suggested by the hon. Member for Christchurch (Mr Chope) and the 500 from the hon. Member for St Ives (Andrew George)—is that they result in just one sum: one magic, supreme and absolute number. That means that when we take away the holy trinity of the three protected constituencies, the boundary commissions must come up with figures that add up to 597.

That will have to be done in Parliament after Parliament, all the while taking account of changes in the numbers registering in different parts of the country, which will force boundary changes in every one of the four constituent boundary commissions. If there is a significant registration increase in part of England, Northern Ireland could lose a seat in the next Parliament. If there is a drop somewhere else, however, we might gain a seat. In each Parliament, therefore, we will be up a seat, perhaps, and then down a seat. In Northern Ireland, that will mean the boundary review will affect every single seat.

That will be one of the consequences of moving to this absolute figure of 600 and 600 only with no elasticity. To repeat a point I made earlier to the hon. Member for Epping Forest (Mrs Laing), I predict that we will end up questioning whether we decided on the change with too much urgency and as a result were left with a fixed, arbitrary limit and the tyranny of arithmetic—the insistence that one size has to fit all in spite of the reality and all other considerations. That will mean that we will end up with an IPSA-type situation for boundaries. In Parliament after Parliament, MPs will regret that they are dogged by all sorts of fairly arbitrary boundary changes that are driven purely by arithmetic and perhaps dictated by registration changes somewhere else. People in many constituencies will wonder why they are constantly having to go through such changes because of something that is happening somewhere else.

Should the Committee insist on going for diktats that will result in reviews having to be conducted every time and arithmetic for establishing a quota for seats, would there not be merit in amendment 228 tabled by the hon. Member for Cleethorpes (Martin Vickers), which takes 600 as a target figure but allows a margin of accommodation to the boundary commissions so that there can be as few as 588 seats and no more than 612? That margin of consideration would at least allow the boundary commissions to take account of the issues and pressures facing them. Under clause 10, the number of seats allocated to them will be fixed under the Sainte-Laguë formula.

Already the Government recognise that the absolute figure of 600—and all the other aspects of the Bill—cannot be fully applied in respect of Northern Ireland, so they have had to say that in Northern Ireland the seats can

[Mark Durkan]

vary more widely than the 5% either side of the UK quota. Therefore, we can come in at lower than 5% or over 5%, so our constituencies can be more disparate. That proves that the hon. Member for Epping Forest is wrong in saying that there are no adverse consequences and that the rigid application will not be a problem. The Bill admits that the rigid application is a problem, and it means that Northern Ireland will not be getting equal constituencies. We will have much more disparate constituencies as compared with other parts of the UK. More importantly, we will have much more disparate constituencies in the Northern Ireland Assembly, for which there are six Members. Therefore, disparity of representation and of mandate will arise in, of all places, Northern Ireland and Northern Ireland only. That was not what was intended when this House, as well as everybody else, supported the Good Friday agreement and its provisions.

I therefore ask the Government to consider the very sensible recommendation in amendment 228. Its sister amendment 227 does not accommodate the situation in Northern Ireland, because it allows only a 2% margin of discretion. It should allow for at least 2% or at least one seat. If that could be inserted in the Bill, it would help.

Gavin Barwell: I want to start by agreeing with the hon. Member for Stoke-on-Trent Central (Tristram Hunt) who, unfortunately, has left the Chamber. He made the point that there is an irony in the positions that the different parties are taking. The Conservative party is making the progressive argument for greater electoral equality, while Labour is arguing the case for greater adherence to traditional community boundaries. One thinks back to 1982 when Michael Foot, then leader of the Labour party, and the Labour Chief Whip took the Boundary Commission to the courts because it had not crossed community boundaries and had not, in Labour's view at that time, achieved sufficient electoral equality. For the benefit of my hon. Friend the Member for St Austell and Newquay (Stephen Gilbert), I shall make four short points about the arguments advanced in favour of these amendments.

We have been asked, first, why we should reduce the number of seats. I can speak only for myself, and describe why I shall be voting for such a reduction. I was a candidate during the MPs' expenses scandal and I carried out a survey of every elector in my constituency. I put to them proposals from all three political parties about things that could be done to improve our political system and found that the second most popular was that the number of MPs should be reduced. [HON. MEMBERS: "To what?"] At the time, I proposed a 10% reduction; that was the figure in our manifesto and I would happily have supported it.

Susan Elan Jones *rose—*

Gavin Barwell: I shall make some progress. I recognise that the coalition has proposed a slightly different figure, but it still represents a reduction and I am happy to support it.

The second argument that has been advanced relates to whether we should have a fixed number of seats. We have heard a great deal of enthusiasm for the current rules, although I am not sure how many Members have read them. As I was saying to my hon. Friend the Member for Poole (Mr Syms), they allow the crossing of county boundaries. However, Members may not be aware that the Boundary Commission and the Committee on Standards in Public Life implored the previous Government to change those rules because they are contradictory, confused and muddled. Therefore, some of the enthusiasm that we have heard for the current rules is misplaced, and it is not unreasonable for Parliament to take a view on what the size of this House should be.

I am not a lawyer, but I can say that the amendment standing in the names of the right hon. Member for Tooting (Sadiq Khan) and the hon. Member for Rhondda (Chris Bryant), among others, is defective. It seeks to amend the first paragraph of proposed new schedule 2 to the Parliamentary Constituencies Act 1986 in a way that would wholly contradict proposed new paragraph 2(3) of that schedule, which would define the United Kingdom electoral quota in a completely different way.

The third point to deal with is the assumption expressed by Labour Members that a reduction in the number of constituencies and, thus, larger constituency sizes will lead to seats that less reflect community identity. That shows a fundamental misunderstanding of how this measure will work, because although that assumption will be true in some cases, in others the measure will lead to constituencies that better reflect community boundaries. Under these proposals, instead of having three MPs covering my London borough of Croydon, we would have three and a half, so the new seats would be likely less to reflect community identity in Croydon. However, the next-door London borough of Bromley covers three and half constituencies and that would reduce to three, which would doubtless better reflect community identity.

Thomas Docherty: I understand that the approach will be to start at the south coast of England and work north, so there will be no understanding at all; even within London, that is how it will work.

Gavin Barwell: The hon. Gentleman's understanding is incorrect. I understand that this will be looked at on a regional basis; the work will be done in the nine regions of England and then in the other nations of the United Kingdom. The work will not be done all across the country—I think that that would be technically impossible to carry out.

Several hon. Members *rose—*

Gavin Barwell: I shall make some progress, because I promised to be brief.

The fourth argument advanced is that MPs will not be able to cope with the larger constituencies, and the Deputy Leader of the House has already rebutted that argument forcefully. Many Members in this House, including my two Croydon colleagues, already have significantly larger constituencies than those envisaged under this Bill and cope perfectly well with those arrangements. However, I hope that my Front-Bench team will have given some attention to two points that have been made by Labour Members. The first relates to the size of the Executive relative to the size of this House, and the Government definitely need to consider

it. The second point is that it would be perverse to decrease the size of this House while increasing that of the other place. I hope that the Government will soon introduce proposals to enact the coalition's proposal for an elected second Chamber.

John Thurso (Caithness, Sutherland and Easter Ross) (LD) *rose—*

Gavin Barwell: I shall give way once more and then I shall conclude.

John Thurso: On the hon. Gentleman's last point, I could not agree more about an elected upper House. He was also making a point about difficulty, but that does not come from the number of constituents. I would have no problem in taking on a further 30,000 constituents, but I have a problem when I have to take them on 200 miles away.

Gavin Barwell: The Bill contains criteria about the maximum geographical size of constituencies. I observe, in passing, that one member of the Australian Parliament represents a constituency in western Australia that is about the size of France, and I believe that the Australian Government provide a light aircraft to enable that to be done.

In the interests of time, Mr Evans, I shall draw my remarks to a close. I merely say that the arguments put forward by those on the Opposition Benches against the reduction in the size of this House do not hold water. My constituents want to see a reduction and I shall be happy to support the proposal to do so.

8.30 pm

Mr Heath: On the very last point that the hon. Member for Croydon Central (Gavin Barwell) made, I think I recall that there is a Senator in the Italian Senate who represents Australia, Asia and Africa. That is a sizeable constituency and not one that I would suggest for this House.

This has been an interesting debate in many ways. First, I am glad that we have had the opportunity to have the debate on the clause at all. Had the attempt by the hon. Member for Rhondda (Chris Bryant) to vote down the programme motion yesterday been successful, we would not have had a debate at all. I am also pleased that we have had the extra hours this evening, because had the hon. Gentleman succeeded in voting the motion down, we would not have had them. Unfortunately, he then—again—filled the extra time with the 50 minutes of his speech.

I am also pleased because we have had a number of what I would consider to be doctrinal statements made. We had a doctrine laid out by the hon. Member for Rhondda for a new principle of consideration for constitutional Bills, in which we should allocate one day on the Floor of the House for each clause of a constitutional Bill. I recall the Constitutional Reform and Governance Act 2010, in which I was involved, as were many other hon. Members who were in the House at the time. It had 95 clauses and eight schedules and it had three days in Committee. That was what the Labour party did when they were in Government and it ill behoves them to suggest that the greatly longer time that we have given this Bill is insufficient.

We also had discussion about what the Salisbury-Addison convention might mean. I have a quotation from the former Lord High Chancellor—I do not know whether it is a ex cathedra statement, but it certainly approaches that—about how the House of Lords ought to apply its own judgment on the Salisbury-Addison convention in the context of a coalition. This is what the right hon. Member for Blackburn (Mr Straw) had to say in 2006:

> "My own view is that if any coalition or arrangement as in 1977 gains the support of the democratically elected House and is endorsed by a motion of confidence then the programme for which they gain that endorsement should be respected by"

the House of Lords. That is an extremely helpful endorsement that may be noted.

The other place was mentioned several times in the debate on these amendments. It was mentioned first by the hon. Member for Cities of London and Westminster (Mr Field) and then by the hon. Member for Stoke-on-Trent Central (Tristram Hunt), who is not in his place at the moment, who suggested that the Government were packing the House of Lords shamefully. For the record, let us say that 56 peers have been created since the election, of whom 29 have been Labour peers created on the proposition of the outgoing Prime Minister. If we are packing the other place, we are doing so remarkably ineffectively by inserting Labour peers.

The issue about the future of the House of Lords is an important one in the context of this Bill, as it is within the whole constitutional settlement. We are committed not only to an elected second Chamber but to a smaller second Chamber. It is precisely that work that is now being taken on in earnest for the first time in 100 years. The previous Liberal Government said very clearly in the preamble to the Parliament Act 1911 that they wished to see an elected House of Lords. That has been taken on by the Deputy Prime Minister with the all-party talks and we expect to introduce legislation early next year to bring that into effect.

Ian Lucas: If that is the case, why is the Deputy Leader of the House dealing with the House of Lords separately to the legislation on the House of Commons?

Mr Heath: Because this is a Bill about the House of Commons. The House of Lords will be dealt with in different legislation, which the hon. Gentleman will see in due course. His right hon. Friend the Member for Tooting (Sadiq Khan) is involved in the discussions. The hon. Gentleman will have to wait. One of the lessons that we should have learned by now is that if we wait for every constitutional change to be made at once, nothing happens. That is what has prevailed for the last 100 years. We are going to change that.

The arguments that I hear about the future of the House of Lords have been strangely echoed in the arguments I heard this evening about this place. An argument that is regularly heard in the House of Lords is that any system that managed to appoint a peer as fine as the person who is speaking must be an exceedingly good system that does not require further change. We heard a bit of that this evening. We heard that any system that elected the current Members of the House must be an exceedingly good system and does not need to be changed. Various hon. Members explained how the numbers that precisely apply to their constituency are evidently the right numbers and should not be changed.

[Mr Heath]

We have had the NIMPO—not in my period of office—argument, with Members saying, "Of course, we all want to see the House brought to a smaller size, but not while I'm still here. Wait until I've retired and then you can do it."

We have also had the impossibility argument, with Members saying, "It is quite impossible to reduce the House from 650 to 600 Members because the electoral quota that would be in place, with 76,000 electors, would make it quite impossible for Members to do their work", completely ignoring the fact that one third of current Members have constituencies of 76,000, or within a margin of 5% of that. The hon. Member for Great Grimsby (Austin Mitchell) said that it is impossible because there would not be enough time to do all the jobs that a Member of Parliament has to do. I would be more persuaded by that argument if I felt sure that every Member was a full-time Member of Parliament and did not find other employment—some excessively so. Such Members have contributed to the debate. Apparently, the shift from a constituency of 60,000 to 76,000 would make the job impossible.

We heard from the hon. Member for Bassetlaw (John Mann) that the job is impossible to do if one represents a constituency that crosses a local authority boundary, but how many Members have constituencies that do that? Apparently, it would be impossible under the quota that we are suggesting.

Mr Love: The hon. Gentleman is criticising the arguments that have been used by the Opposition, so may I address the arguments that the coalition Government have used? I have read the Political and Constitutional Reform Committee's report on the Bill. Having considered every argument that had been made, the Committee, which has an in-built coalition majority, concluded:

"There may be a case for reducing the number of Members of the House to 600, but the Government has not made it."

Can the hon. Gentleman make such a case tonight?

Mr Heath: The hon. Gentleman will have to wait until I get to that point in my remarks, because I have a few other comments to make on what others have said in the debate.

We have heard not only that it would be impossible for Members to accommodate extraordinary constituencies of 76,000, despite the fact that so many of us do it, but that it would be impossible for electors in such constituencies to know who their MP was. We have heard that it would be impossible to have a career structure because anyone who had experience outside the House could not be elected if we had constituencies of 76,000. What an extraordinary proposition that is.

The final proposition was that this is all a partisan move—[Hon. Members: "It is!"] The Opposition say that it is a partisan move to reduce the number of Labour MPs, but we have also heard from the same side in the same argument that it will not reduce the number of Labour MPs. So, we are gerrymanderers, but we are totally incompetent gerrymanderers because we are reducing our own seats and improving the position for the Opposition.

Again, I find it extraordinary that people whom I believed were reasonably intelligent and reasonably numerate can imagine that reducing the size of the House from 650 to 600 means that the 50 smallest seats are the only ones that disappear—they just go puff and disappear into the ether—and that all the rest carry on as they were. The suggestion is that the fact that most of the smaller seats are Labour seats shows that this is a partisan move against the Labour party. I am sorry; I just do not accept that. I do not think that it is a logical argument.

Phil Wilson: In a debate last night, the hon. Member for Epping Forest (Mrs Laing) proved to me that this is a partisan move, when she said that some hon. Members oppose it because they are

"trying to avoid being turkeys voting for Christmas."—[*Official Report*, 19 October 2010; Vol. 516, c. 908.]

That is what the Conservative party is saying.

Mr Heath: I am addressing the arguments made in the Chamber tonight that suggested that the reduction from 650 to 600 was an unimaginably ambitious target for the House and would result in the loss of Labour seats and was therefore a partisan move, rather than being what it is: a modest reduction in the size of the House. We have discussed other sizes of the House. The Conservative and Liberal Democrat manifestos proposed a reduction in the size of the House of Commons. The Conservative manifesto suggested the figure of 585, and the Liberal Democrats suggested 500, but on the basis of the single transferable vote.

I have made it absolutely plain that this is a matter of judgment. Six hundred is not a magical figure. I have never pretended that it is. It is an arbitrary figure, but it is one that results in an electoral quota of about 76,000, which is an entirely possible figure, as we have demonstrated, on the basis of the 2009 electoral register.

Susan Elan Jones: *rose—*

Hon. Members: Give way.

Mr Heath: The hon. Lady will have to be a little bit patient and not just stand there, but ask and then wait until I give way.

The country would like to see a reduction in the number of Members of Parliament in this House. We have tried to strike a balance between what is achievable and sensible in terms of the operation of Members of Parliament and what is desirable in finally turning the corner in terms of the ever-increasing size of the membership of the Chamber.

Susan Elan Jones: I am grateful to the Minister for finally giving way. He mentioned that the Liberal Democrats and the Conservative party proposed in their manifestos at the last election reductions in the number of seats. Various Conservative candidates in north Wales said, having cited Guy Fawkes among others, that people would probably think that the Guy Fawkes option was a good one, but we were then talking about a reduction of 10% of seats in Wales. When they were questioned, they said, "Yes, of course, it will be 10% of Welsh seats, because the new Conservative Government will be very rational in doing this." How does the Minister justify talking about a reduction of, I think, 7.7% across the whole United Kingdom but a reduction of 25% in one of the component nations?

Mr Heath: I justify that very easily by the fact that Welsh constituencies are much smaller than constituencies in the rest of the country, and the Bill will equalise representation, as I thought we had established. As I keep on reminding the House, the existing position is that the hon. Member for Rhondda—I choose his constituency only because he happens to be sitting on the Opposition Front Bench—has 51,000 electors, my constituency has 82,000 electors and there is a difference of almost 30,000 between the two. That cannot be justified.

Mr Mark Field: I very much agree with everything that the Minister says about the equalisation of constituencies. Can he therefore justify why any exceptions are being made?

8.45 pm

Mr Heath: Yes, I can. I can justify why the islands of northern Scotland are in a rather different position from the Cities of London and Westminster. I can explain why constituencies where, as the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) says of his, the distance from one end to the other is greater than the whole of Wales might be justifiably treated as an exception. I do not find that a difficult case to make.

Mr Alan Reid (Argyll and Bute) (LD) *rose—*

Mr Heath: Now I see that my hon. Friend is going to tell me about his constituency, which I accept is also a very difficult case.

Mr Reid: The Deputy Leader of the House has supported the Government line that a constituency with 22,000 electors and three islands is treated as an exception. Argyll and Bute has 13 islands with a public ferry service, and covers a land area of about 5,000 square kilometres, with an electorate of 67,000. If the benchmark is three islands and 22,000 electors, why is there not an exception for other constituencies with islands—13 islands?

Mr Heath: I understand my hon. Friend's point, because his constituency is indeed a very difficult case, and the argument that he will make to the Boundary Commission in order to maintain as much as possible of his current constituency boundary will be a very strong one. I am sure that he will make that argument, but we have not moved on to the group of amendments in which we can discuss that issue, and I have to keep in order.

May I return to the basic principle? I am amazed, because there is an element of the Bourbons about some Members: they remember nothing of what has happened over the past year or so. Do they not realise that the public are desperate for us to reduce the costs of this place? Do they not understand that there is no public clamour for more Members, which would be the effect of the amendment in the next group in the name of the hon. Member for Rhondda? The public do not want more Members, they want fewer, and I believe that our proposal in this part of the Bill is entirely appropriate.

Mr Andrew Turner: I do not understand why it is necessary for the Minister, who wants to reduce the number of Members, to create more for my seat.

Mr Heath: It is difficult to maintain a process based on the equalisation of seats, and then to sustain the case that an island, which I accept has very particular characteristics of its own and is very large, but which, unlike Orkney and Shetland and Na h-Eileanan an Iar, is within near reach of mainland Britain, should be treated as an exception. However, the hon. Gentleman will continue to make that case, and I understand exactly why he wishes to do so. I know that he speaks for many of his constituents, although not all, and I am sure that he accepts that some of his constituents feel very strongly that the Isle of Wight has natural economic links with areas of mainland Hampshire, and that a parliamentary linkage could be of benefit. But of course, he represents 100,000 electors, and does so very well—

Chris Bryant: The House?

Mr Heath: I am addressing the Chair, and the Chair is seated at the Table, not on the Opposition Benches.

As I say, the hon. Member for Isle of Wight (Mr Turner) needs to continue to press his case. We shall listen to the arguments that he makes, but we shall also try to maintain the principle of a common—[*Interruption*]

Chris Bryant: Can't hear you.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. If hon. Members can be quieter, the entire Committee will be able to hear what Mr Heath is saying, so please calm down. We have only another 11 minutes left, as hon. Members know, before we need to move on.

Mr Heath: May I deal with the issues raised by the hon. Member for Cleethorpes (Martin Vickers)? He has a great deal of expertise on this issue, and I am grateful to him for contributing to the debate. He proposed giving the boundary commissions flexibility to vary the number of seats assigned to each of the four nations by a small amount. The flexibility proposed in his amendment 228—a margin of 2% on either side of the proportionate entitlement—would not work for Wales or Northern Ireland, as was recognised by the hon. Member for Foyle (Mark Durkan). It would not allow the commissions there to increase or reduce those nations' allocations, as 2% of their national entitlement would not equal one whole seat.

However, there are more fundamental objections to the amendment. It would enable the Boundary Commissions for England and for Scotland to increase or decrease the total number of MPs in the House and the proportion of MPs who represent their part of the UK. Parliament should lay down clear rules for determining the number of constituencies, and they should be allocated to the four parts of the UK in proportion to their electorate. We are seeking equality between the nations as well as within them.

Finally, I want to deal with the amendments tabled—although not spoken to, obviously, because of his absence—by the Chair of the Political and Constitutional Reform Committee. They would require the Boundary Commissions to decide between themselves the size of the House at each review, until the figure of 600 was reached in 19 years' time.

Mark Durkan: The Deputy Leader of the House told us that the figure of 600 was arbitrary. He has still not explained why an arbitrary figure has to be fixed in statute in perpetuity. If this is about creating equality between the component parts of the UK, why does the Bill say that constituencies in Northern Ireland can vary more widely, both among themselves and in comparison with constituencies elsewhere, than those anywhere else? That does not achieve what he says the Bill is supposed to achieve.

Mr Heath: We will have to differ on that specific point. I believe that what is proposed provides for a high level of equalisation across the whole United Kingdom. It is based on what is equitable for our constituents.

I return to the point about an incremental reduction, which was raised by one other hon. Member. I should like to make it clear that the issue was considered in the Political and Constitutional Reform Committee, and the secretary of the Boundary Commission for England reported that there would be no particular advantage to making the change incrementally. The commission also said that it had both the resources to carry out the review and sufficient time, before the deadline for submitting reports on 1 October 2013, to draw up constituencies for a House of 600 at the review. The suggestion that that is impossible to achieve in the time scale that we propose is not substantiated.

The Government's proposals strike the right balance. They will end once and for all the fluctuation in the size of the House and the upward pressure on the number of MPs under the current legislation, and propose a modest reduction in overall numbers, which will cut the cost of politics, but do so in a way that will not result in constituencies that represent a departure from the type that we see in this Parliament. I hope that right hon. and hon. Members will feel able to withdraw their amendments and support the Government's position.

Jacob Rees-Mogg (North East Somerset) (Con): Mr Evans, thank you so much for calling me. It has been enlightening, educational and a real honour to listen to this debate since we last divided the House some hours ago. I have listened to some fine speeches. The hon. Member for Bassetlaw (John Mann) put his case with such pith and moment that I was almost persuaded to vote against my own side. The spectre that arose before us was one so terrifying and so fearful that we quaked in our Tory boots; it was the spectre of clause 9 leading us to proportional representation. The fear that came upon me was that as a result of setting a number so precise and clear that it could not be questioned even by the great and good of the Boundary Commission, we could face proportional representation. I saw other right hon. and hon. Members struck with fear at the thought, and I saw them feeling that they would move towards supporting greater flexibility.

My hon. Friend the Member for Cleethorpes (Martin Vickers) offered us an amendment that would meet almost every objective of Her Majesty's Government but would still have flexibility—that great aspect of the British constitution, which has served us well since Alfred the Great, who was a Somerset man. I debate with my hon. Friend the Member for Somerton and Frome (Mr Heath) whether Alfred is more my constituent or his; I think, in fairness, that he would belong more to the Deputy Leader of the House. This constitutional flexibility is something that has been of great benefit to us. I feel that my hon. Friend the Member for Cleethorpes got it right in saying that it is useful for there to be some degree to which one can go outside the boundaries, without being too prescriptive.

On the subject of today's speeches, what a fantastic history lesson we had from the hon. Member for Stoke-on-Trent Central (Tristram Hunt). To think that this was supposedly the least discussed reform of Parliament since the Rump Parliament, when Cromwell decided to send in the troops—the only man to send troops into the predecessor building to this House to enforce debate and Divisions. Some of us may think that the Whips are tough, aggressive and forceful, but even in my experience they have not used force, or pikes, to make sure that I go in the right direction. Oliver Cromwell did indeed do that; he prevented people from voting in that forceful way. The shadow Minister returned us to these matters again and again, and spoke for at least 50 glorious minutes—minutes that felt to me like days, but days of such pleasure, joy and rejoicing in spirit that I hope we will have another 50 minutes from him in due course, or on another occasion, or perhaps tomorrow, if we should be so lucky.

Let us return to the specifics of numbers. Should it be 650, or perhaps 649? Should it be 648 or 647?

Claire Perry (Devizes) (Con): Higher!

Jacob Rees-Mogg: My hon. Friend would like to have more—perhaps it is a "points mean prizes" occasion. However, I think that 600 is not too bad a number. One hon. Member suggested 666—the number of the beast. It is worth being careful about the number 666, because if we read our Bible carefully there is always a footnote saying that other ancient authorities refer to 616. I am glad that my hon. Friend the Member for Cleethorpes set his limit at 612, clearly aware of the dangers of going as high as 616 and thereby finding that we inadvertently had in this House the number of seats that was the number of the beast. We know what that would mean: it would be deeply terrifying—almost as terrifying as the threat of proportional representation.

We had great discussions about the great and noble historical counties, and the wickedness of Humberside and suchlike. I would like to add that Avon was even worse than Humberside. Avon was an abomination—a foul creature disgusting in all respects, destroyed, I am glad to say, by the noble father of my hon. Friend the Member for Ipswich (Ben Gummer). In the numerical aspect, it is important to look at the hon. Member for Somerton and Frome in representing so many Somersetshire constituents. It seems important that the people of Somerset should have as much representation as the people of Rhondda—indeed, I think rather more, because we are from Somerset and they are from Wales. A few extra seats should be especially included, to give Somerset the representation that that wonderful county needs.

I will say just one final thing about seats, because time is getting on. In the Parliament of, I believe, 1392—let me just check that in my notes—no, the Parliament of 1362, one Member, a Mr John Wonard, represented two seats in Devonshire and two in Cornwall. It seems to me that the flexibility that the history of our nation allows ensures that the number will always come

out right in the end. A right and suitable number we shall have, a fine and good number, a lucky number, perhaps a number that the—

9 pm

Debate interrupted (Programme Orders, 12 and 19 October).

The Chair put forthwith the Question already proposed from the Chair (Standing Order No. 83D). That the amendment be made.

The Committee divided: Ayes 212, Noes 325.

Division No. 91] **[9 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Bone, Mr Peter
Brennan, Kevin
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Field, Mr Mark
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, Diana R.
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murray, Ian
Nandy, Lisa
Nash, Pamela
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woolas, Mr Phil
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Lyn Brown and Stephen Pound

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen

Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig

Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and Jeremy Wright

Question accordingly negatived.

The Chair then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Amendment made: 327, in clause 9, page 10, leave out lines 8 and 9 and insert—

(a) in England, the boundaries of

(i) each county for which there is a county council,

(ii) each district that is not in such a county, and

(iii) each London borough,'.—*(Mr Heath.)*

Question put, That the clause, as amended, stand part of the Bill.

The Committee divided: Ayes 322, Noes 167.

Division No. 92] **[9.15 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti

Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Shailesh Vara and Jeremy Wright

NOES

Abbott, Ms Diane
Austin, Ian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Brown, Mr Russell
Bryant, Chris
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Chope, Mr Christopher
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Cooper, Rosie
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Dodds, rh Mr Nigel
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Efford, Clive
Elliott, Julie
Engel, Natascha
Esterson, Bill
Field, rh Mr Frank
Flint, rh Caroline
Flynn, Paul
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Mr Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Healey, rh John
Heyes, David
Hillier, Meg
Hilling, Julie
Hoey, Kate
Hollobone, Mr Philip
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, Diana R.
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Leslie, Chris
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murray, Ian
Nash, Pamela
Nuttall, Mr David
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Phillipson, Bridget
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Jonathan
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Sutcliffe, Mr Gerry
Tami, Mark
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Weir, Mr Mike
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Lyn Brown and Stephen Pound

Question accordingly agreed to.

Clause 9, as amended, ordered to stand part of the Bill.

Clause 10

BOUNDARY COMMISSION PROPOSALS: PUBLICITY AND CONSULTATION

Question put, That the clause stand part of the Bill.

The Committee proceeded to a Division.

The First Deputy Chairman: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The Committee having divided: Ayes 317, Noes 133.

Division No. 93] **[9.30 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok

Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Shailesh Vara and Mark Hunter

NOES

Abbott, Ms Diane
Austin, Ian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Clark, Katy
Coaker, Vernon
Cooper, Rosie
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Docherty, Thomas
Dodds, rh Mr Nigel
Doyle, Gemma
Durkan, Mark
Elliott, Julie
Esterson, Bill
Field, rh Mr Frank
Flynn, Paul
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Hain, rh Mr Peter
Hamilton, Mr Fabian
Hanson, rh Mr David
Healey, rh John
Hillier, Meg
Hilling, Julie
Hoey, Kate
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Jamieson, Cathy
Johnson, Diana R.
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Leslie, Chris
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, John
McGovern, Jim
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Murray, Ian
Nash, Pamela
Nuttall, Mr David
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Phillipson, Bridget
Reeves, Rachel
Reynolds, Jonathan
Robertson, John
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Sarwar, Anas
Shannon, Jim
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Tami, Mark
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Weir, Mr Mike
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Wright, David

Tellers for the Noes:
Mr David Hamilton and Stephen Pound

Question accordingly agreed to.

Clause 10 ordered to stand part of the Bill.

Clause 11

NATIONAL ASSEMBLY FOR WALES

Amendments made: 163, page 11, line 30, leave out 'Secretary of State' and insert 'Minister'.

Amendment 164, page 11, line 34, leave out 'Secretary of State' and insert 'Minister'.

Amendment 165, page 11, line 35, leave out 'Secretary of State' and insert 'Minister'.

Amendment 166, page 11, line 40, leave out 'Secretary of State' and insert 'Minister'.

Amendment 167, page 12, line 18, at end insert—

'( ) In this section "the Minister" means the Lord President of the Council or the Secretary of State.'.—*(Mr Heath.)*

Question proposed, That the clause, as amended, stand part of the Bill.

The Committee proceeded to a Division.

The First Deputy Chairman: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The Committee having divided: Ayes 305, Noes 314.

Division No. 94] **[9.47 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett

Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger

Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mark Hunter and Jeremy Wright

NOES

Abbott, Ms Diane
Bain, Mr William
Banks, Gordon
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Blenkinsop, Tom
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Campbell, Mr Alan
Campbell, Mr Ronnie
Clark, Katy
Coaker, Vernon
Cooper, Rosie
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Docherty, Thomas
Dodds, rh Mr Nigel
Doyle, Gemma
Durkan, Mark
Elliott, Julie
Esterson, Bill
Flynn, Paul
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Hanson, rh Mr David
Healey, rh John
Hendrick, Mark
Hilling, Julie
Howarth, rh Mr George
Jamieson, Cathy
Johnson, Diana R.
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Keen, Alan
Khan, rh Sadiq
Lavery, Ian
Leslie, Chris
Lloyd, Tony
Long, Naomi
Lucas, Caroline
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, John
McGovern, Jim
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Murray, Ian
Nash, Pamela
Osborne, Sandra
Owen, Albert
Perkins, Toby
Phillipson, Bridget
Reeves, Rachel
Reynolds, Jonathan
Robertson, John
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Sarwar, Anas
Shannon, Jim
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Stringer, Graham
Tami, Mark
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Wright, David

Tellers for the Noes:
Stephen Pound and Mr David Hamilton

Question accordingly agreed to.

Clause 11, as amended, ordered to stand part of the Bill.

Clauses 12 and 13 ordered to stand part of the Bill.

Schedule 7 agreed to.

Clauses 14 to 17 ordered to stand part of the Bill.

The occupant of the Chair left the Chair (Programme Order, 12 and 19 October).

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

REPRESENTATION OF THE PEOPLE

That the draft Political Parties, Elections and Referendums (Civil Sanctions) Order 2010, which was laid before this House on 8 April, in the previous Parliament, be approved.—*(Miss Chloe Smith.)*

Question agreed to.

Television and Radio Reception (Thanet and East Kent)

Motion made, and Question proposed, That this House do now adjourn.—*(Miss Chloe Smith.)*

10.3 pm

Laura Sandys (South Thanet) (Con): I thank the Minister for very kindly coming to the House to debate something that is not of obvious interest to people beyond myself, my hon. Friend the Member for North Thanet (Mr Gale) and, of course, the Minister himself. Although we aim to be unique in many ways in Thanet and have a huge amount to be proud about, turning on the television and watching the black snow on our analogue TVs or the even more annoying pixel scramble on current digital TVs is not something that we want to excel in.

Our world is often cut short in midstream: just as the first Chilean miner is released from his lair, we have not the popping of Chilean champagne but the crackle of our TVs with moonscape replacing celebrations; the final moment of "The X Factor" is suddenly replaced by the emergence of a screeching pixel reorganisation that makes chalk on a blackboard seem like an appealing noise; and can hon. Members imagine, when waiting for my right hon. Friend the Member for Witney (Mr Cameron) to emerge as Prime Minister in May, the sound from expensive and aggressively marketed digital radio cracking up on them? We in Thanet no longer want to be left at the end of the line or without a signal. We do not want to be left out of the action. We certainly do want to join the real televisual world, but as we are without reliable television, and with digital radio on the blink, we are yet again left out.

I thank all the agencies involved with TV and radio reception—BBC, Ofcom, Arqiva and my hon. Friend the Minister's Department—for their work to secure better coverage. They have been striving to find solutions to the problem, but the local survey that my hon. Friend the Member for North Thanet (Mr Gale) and I undertook revealed that the problem was more severe than the authorities realised.

Broadstairs was seen as the black hole for TV coverage, and it most certainly is, but bad—really quite bad—coverage is not the exclusive privilege of Broadstairs. The harbour area of Ramsgate has very patchy coverage, and parts of Cliftonville get no coverage at all. North Thanet has its black spots, too, in Westgate and Westbrook. From our rough calculations, about 6,000 households throughout Thanet do not get adequate coverage, while some do not get coverage at all.

Those problems mean that Thanet is probably the largest population area without adequate television and digital radio coverage, and that has a human impact. I know of an older lady who is housebound in Ramsgate, pays good money for her TV licence—she does not yet qualify for her free TV licence—and can get ITV 1 sometimes but nothing else. I have had letters from residents of large retirement blocks that get virtually no coverage at all. Those who can afford it subscribe to Sky, but Thanet is the 64th poorest district in the country, so not everyone has that luxury.

Why should people pay a licence fee for the privilege of getting television if they are then forced to supplement it with additional fees? It raises questions about the legislation governing the licensing of televisions. Is it fair to license a box or a flat screen that is unable to receive anything? Should the licence not relate to whether the box can deliver its function—that of receiving television programming?

We would like to address two key issues: what we can do now to support our residents with better coverage and, possibly more importantly, what will happen following digital switchover. Today, analogue coverage is bad in some areas and poor in many, and digital services are very sporadic, with even Sky users unable to receive good coverage all the time. Digital radio coverage is also limited.

I know that my hon. Friend the Minister's partners have been working hard on the matter, but I should welcome an update on the findings of the BBC's reception assessment, which it undertook a few weeks ago after a request from my hon. Friend the Member for North Thanet and myself. It was excellent that the BBC was able to go down and undertake that work. I also understand that Arqiva is in talks with Thanet college about putting up a transmitter, and I should welcome an update on that option. If that is not possible, what other options, such as improving the signal from the Ramsgate repeater station, can be investigated?

Some immediate improvement would be most welcome, but the future digital switchover also concerns us, because the expert information that I have received does not indicate a smooth switchover in 2012. EURIM states that if the broadcasting infrastructure is not in place now, digital will not provide a significantly better service than we have today. The service will be a bit better, but not adequate. Mentor Technology, in its submission to the Culture, Media and Sport Committee report in 2006, stated that those areas with existing marginal terrestrial coverage with poor quality today might not receive any digital picture at all, and this year Digital UK stated:

> "The digital television switchover programme will aim to ensure that substantially the same proportion of UK households that currently receive analogue terrestrial TV services will continue to receive public service broadcasting in digital terrestrial form. It will not directly address bringing digital television services to those who have not previously had access to analogue terrestrial services."

Its website reveals that quite a few parts of my constituency will get only four to eight channels, with poor or no coverage for the rest of the channels. That does not bode well.

So we are calling on the Minister to address our existing and future reception problems. First, is the infrastructure in place to provide us with reasonable analogue reception? Is this about upgrading existing relay masts or adding new ones? In areas where new masts are difficult to install, can the Minister investigate the possibility of connection to the high-speed fibre optic cable running from Broadstairs to Canterbury?

Are we sure that the infrastructure will deliver full digital coverage at the time of switchover? If there are going to be pockets of limited or no coverage, what can the Minister do? Will there be a scheme of free purchase and installation of Freesat? If so, how will that be achieved through the planning process, given that we have several conservation areas? Given our current problems with the reception of Sky, even Freesat does not necessarily guarantee adequate reception.

[Laura Sandys]

If we cannot secure reception, what will happen to Thanet? Would anyone move their family to an area that did not receive TV? New essential services would be broadcast—would Thanet need a carrier pigeon system? Would we end up living in a cultural, entertainment and current affairs oblivion? Would my constituents suffer from not being able to see their local MP on regional news?

We need the Minister's assurances that our situation will be significantly improved after switchover and that Thanet will not be yet again left at the end of the line. If we are not guaranteed proper digital coverage, I will personally ensure that throughout the World cup in 2014, the Minister is forced to join my constituents and me for an evening of popcorn, moonscape and French radio.

10.12 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I congratulate my hon. Friend the Member for South Thanet (Laura Sandys) on securing this important debate on access to digital television and radio for her constituents. Her speech reflected her passionate work on behalf of her constituents on a whole range of issues. I know from conversations that we have had outside the Chamber how seriously she takes the subject of this debate.

I could find only one mistake in her speech: she said that the issue was of interest only to me, her and our august hon. Friend the Member for North Thanet (Mr Gale). However, I see that we are joined by my hon. Friend the Member for Camborne and Redruth (George Eustice) so, clearly, the issue stretches beyond the borders of Thanet.

I take an interest in this matter because I am the Minister responsible for it, but I must also put on record the fact that as a young child I spent every summer holiday in Ramsgate with my Auntie Joan and Uncle Freddy. Freddy Drake was the headmaster of St Clement Danes school, which I assume still thrives strongly, and he received an OBE, having served on the executive of the National Union of Teachers at a time when that trade union was an august and responsible body.

Let me return to the subject before the House tonight, however. I shall start with the national picture. We continue to make good progress on the digital switchover, and by the end of August almost 7 million people, representing about 25% of UK homes, will have completed the switchover, and a further 10.5 million homes will switch next year. It has so far been an almost flawless process, although ironically the only glitch to have occurred so far took place in Oxfordshire, where the new digital TV aerial burned down, thus affecting television coverage for thousands of my own constituents for six months. As a constituency MP, I have some experience of what it is like when constituents are not receiving a good television signal. Next year is going to be equally challenging, with 21 regional switchovers and 25 retuning events. An enormous amount of planning is going into making switchover a success, and I am confident that nationally the TV switchover programme will continue to remain on track.

The status of the digital radio switchover, to which my hon. Friend also referred, is slightly different from that for digital TV. While we are fully committed to securing a digital future for radio, we believe that a digital radio switchover is the right way to deliver a co-ordinated transition. However, we have not set a specific date for digital radio switchover, although we have agreed that 2015 should be the target date. We have also set out a robust digital radio action plan to take this forward.

I want to concentrate my remarks on the issues in Broadstairs that my hon. Friend highlighted. As I say, it is good to see my hon. Friend the Member for North Thanet, who has represented his constituents so assiduously for many years, here too. As my hon. Friends are aware, Ofcom is responsible for ensuring, as part of the switchover process, that digital terrestrial TV coverage is substantially the same as existing analogue coverage, but analogue covers only 98.5% of the population. It is therefore important, as the starting point of this debate, to recognise that there is, unfortunately, no absolute right to TV coverage. People who currently live outside the analogue coverage area and want to watch television sometimes have to incur additional costs, whether by getting a specialised aerial or another TV platform such as satellite. That does not just mean Sky, as Freesat is now also available.

Nevertheless, it is obviously common sense that we want as many people as possible to have access to a service which the vast majority of the population enjoys, and Ofcom is doing all it reasonably can to ensure that viewers have access to digital terrestrial TV after switchover. There are inevitably constraints, not least the availability of suitable frequencies. In respect of the constituency represented by my hon. Friend the Member for South Thanet, the difficulty, as she must be aware, is the proximity to France. That makes options for Broadstairs more limited, as it is apparently a matter of Government policy that we do not want to interfere with French television signals any more than we want the French to interfere with ours.

The specific issue regarding the coverage in my hon. Friend's constituency is transmitter location. Ofcom has the power to require the broadcasters to fill an identified gap in digital television coverage by building a new relay transmitter. The problem in Broadstairs, as she is only too aware, is that the only suitable location that Ofcom has been able to identify is Thanet college, which is apparently currently unable to host a mast that would allow a TV signal to be beamed into Broadstairs. She may be more aware of the reasons behind the difficulties that the college faces, although I am led to believe that it may be because it has plans to develop the site in the future and a new relay transmitter might prevent this.

Although this option would clearly offer a solution, it is ultimately, I suspect, a matter for the college what it wants to do with its land and property. It occurs to me, however, that as a Minister one obtains such information, to a certain extent, second hand, and I would be only too delighted to have a meeting with her, my hon. Friend the Member for North Thanet, Arqiva and representatives of Thanet college if that proved possible to arrange, either in the House or possibly as part of a visit to my late aunt and uncle's home—my old holiday home—in Fitzroy avenue in Ramsgate.

As I understand it, the key issue regarding Thanet college is that there are unfortunately no other suitable sites which are not prohibitively expensive. I shall dwell on that point briefly. Of course, if money were no object, it might be possible to solve the problem, just as it would be possible to provide a signal to the 1.5% of the population who do not currently get an analogue TV signal. However, I am afraid that cost inevitably comes into the equation, particularly on a day such as today, and it would not be right to place on broadcasters a significant cost relative to the number of viewers served.

In the case in question, Ofcom estimates that about 2,500 of my hon. Friend's constituents are affected. That means that their coverage does not meet the threshold for good reception, which is defined as a good service for 99% of the time. However, Ofcom's coverage model suggests that all those affected should have a good service for 95% of the time. I do not want to be dismissive, particularly in the light of being threatened with having to watch the World cup with my hon. Friend. Everyone knows how exasperating it is when the picture freezes just before a penalty kick or a crucial point in a drama, but on Ofcom's analysis, that is not the same as receiving no TV service at all.

I have already mentioned that there may be other ways of getting a television signal, through either satellite or aerials. There is a cost involved, but the cost of Freesat is a one-off and there is no ongoing subscription. My hon. Friend has indicated that the problems are not just limited to Broadstairs, and I am aware of the petition that she referred to, which suggests that reception problems may be more widespread. She is quite reasonably concerned that bad analogue signals now could mean bad signals after digital switchover. I know that Ofcom is taking her concerns seriously, and earlier this week it carried out specific signal quality testing in the area, which may correspond to the BBC testing to which she referred. It will enable Ofcom to record the strength and robustness of analogue signals in the areas that she has identified as having possible problems.

I understand that Ofcom's preliminary analysis suggests that the relatively poor reception of digital terrestrial television signals reported by many of my hon. Friend's constituents could stem from the current low power operation of the local digital transmitters prior to switchover in 2012. When switchover takes place, the power of the local transmitters will be increased and the local relay transmitters will move over to digital operation. They are not currently operating at full power, because they are also having to run a dual analogue signal. That should lead to a significant improvement in the reception of digital television signals. That might offer her some comfort that switchover could improve the problem significantly.

I was delighted by my hon. Friend's kind remarks about the various stakeholders involved, and I am pleased that Ofcom is approaching the problem so thoroughly. I hope that its results may point a way towards ensuring a robust digital television signal after switchover.

TV switchover has been very successful to date, and I have every confidence that it will continue to be so. It is not all plain sailing, and there are some areas where reception is patchy, but I hope I have made it clear that Ofcom is doing all it reasonably can to ensure that people continue to receive a good signal post-switchover. I thank my hon. Friend for raising her concerns on behalf of her constituents, and as I said earlier, I would happily sit down with her to hear at first hand what the problems are and consider whether, by sitting around a table with the key players in her constituency, we might be able to work towards a solution.

Question put and agreed to.

10.24 pm

House adjourned.

House of Commons

Thursday 21 October 2010

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked—

Local Government (Equal Opportunities)

1. **Valerie Vaz** (Walsall South) (Lab): If he will take steps to increase access to senior positions in local government for women and people from black and other ethnic minority backgrounds. [18460]

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): This Government's guiding principles are freedom, fairness and responsibility. We want to remove barriers to equal opportunities and to build a fairer society. The new public sector equality duty in the Equality Act 2010 will require councils to have regard to the need to advance equality of opportunity between different groups, including between men and women and people from different ethnic backgrounds.

Valerie Vaz: I am grateful for the Minister's response. However, my figures show that there are 248 local authorities where women are not chief executives or leaders. In London, there is a black and minority ethnic population of 31% but only one chief executive officer from that community. Could he therefore confirm that he will encourage local authorities to use sections 158 and 159 of the Equality Act, now in force, to redress that imbalance?

Andrew Stunell: I am very happy to give that assurance and to say, first, that her own local authority of Walsall has a good record in relation to the employment of BME staff. We need to recognise that local government has worked hard on this. The Improvement and Development Agency for Local Government has been working on it strongly. We had a conference in March—the Yes We Can conference—and are working towards a December follow-up. We need to remind local authorities that they have a duty under the Equality Act, but they also have a power to take positive action. I am certainly happy to work with the hon. Lady to achieve that.

Andrew Bridgen (North West Leicestershire) (Con): Will my hon. Friend please confirm that offering salary packages to local government bureaucrats in excess of that earned by the Prime Minister will not form part of the strategy to recruit such people?

Andrew Stunell: Absolutely. My right hon. Friend the Secretary of State has had some stern words to say about local authorities that do not take the hint and has called on those earning high salaries in the public sector to take a voluntary pay cut.

Housing (Local Authorities)

2. **Mr Iain Wright** (Hartlepool) (Lab): What recent discussions his Department has had with representatives of voluntary organisations providing housing services for local authorities on the potential effects on that sector of future local government funding plans. [18461]

The Minister for Housing and Local Government (Grant Shapps): My Department has consulted widely with the voluntary sector in relation to the provision of housing services for local authorities, and we have listened carefully to the points they have raised. I can tell the hon. Gentleman that we have, for example, protected the homelessness grant, providing £400 million; protected the funding for disabled facilities grant; and minimised reductions to the Supporting People programme over the spending review.

Mr Wright: The voluntary groups in my constituency, such as Manor residents association, together in partnership with Housing Hartlepool and Hartlepool borough council, provide much-needed services such as handyman services, financial advice to tenants and tackling antisocial behaviour. Given that they derive their income from local authorities and the registered social landlord, and given yesterday's announcement of a real-terms cut of 26% in local authority budgets and the cutting by half of the social housing budget, can the right hon. Gentleman tell the voluntary groups where they will get their money from and how these services can be maintained?

Grant Shapps: The hon. Gentleman will know the backdrop to this, which is that when he was a Minister the Government literally ran out of money, and not just money from then taxpayers but money from the future, so some steps had to be taken. Despite that, however, we have still managed to protect all those different budgets, particularly that for Supporting People, which will be very important to his local authority: it is almost certainly where those voluntary services are getting quite a lot of their funding. We also heard the Chancellor announce yesterday a £100 million transition fund. I can further tell the hon. Gentleman that I am today announcing £12.25 million for local authorities and the voluntary sector to help households affected by changes in housing benefits. There is a whole package of services there. We absolutely recognise the need to protect the most vulnerable; it is a shame that his Government did not do the same as they spent all the money.

Caroline Flint (Don Valley) (Lab): That was very interesting from the Minister, but it is clear that yesterday the Chancellor announced devastating cuts to house building and local government funding. Is it not the case that while across Whitehall Departments average cuts are 19%, town halls up and down the country will lose 28% of their funding?

Grant Shapps: I start by welcoming the right hon. Lady to her new position and to our exchanges across the Dispatch Box.

We have already covered the backdrop. We know that the financial crisis was incredibly sharp and, as has been said, if the Opposition do not have a plan they cannot criticise the plans that have been put in place. Everybody in the country will want to know what the right hon. Lady's plans would have been. However, as it happens, and as she mentions house building as part of her critique, let me tell her that in the 13 Labour years, there was a net gain of just 14,000 affordable homes. We will build more affordable homes in every single year of our Government than Labour did in all its 13 years put together.

Caroline Flint: I thank the Minister for his words of welcome. There may come a time when we agree across the Dispatch Box, but today is not that day. The Chancellor was right about one thing yesterday: the cuts are the Government's choice, and their choice is to dump the cuts on local communities. I am afraid the Secretary of State and his team have failed to stand up for local councils. Can the Minister tell me how many jobs in the public, private and voluntary sectors will be lost as a result of the Secretary of State's failure?

Grant Shapps: It is really no good not having a plan and then criticising the Government when they come up with a serious plan to rescue this country and this economy from the rocks that we were surely headed towards when the right hon. Lady was on the Government Benches. We have set out our plans in great detail, and we look forward to Her Majesty's Opposition getting round to setting out some of theirs.

New Homes

3. **Mike Freer** (Finchley and Golders Green) (Con): What plans he has to introduce incentives to encourage the building of new homes. [18462]

The Minister for Housing and Local Government (Grant Shapps): I am pleased to announce that the new homes bonus will commence in April 2011, which means that local authorities that grant planning permission now will benefit from it next year. I can also announce that the bonus will last a total of six years, facilitating the building of many more homes in every area of the country.

Mike Freer: I thank the Minister for that answer. Will he also explain how the new affordable rent scheme will encourage development?

Grant Shapps: Absolutely. Until now there has been only one way to get into social housing, and for most people that way has not led to their getting a social home. That is why housing waiting lists doubled under the last Government from 1 million to nearly 2 million. There was only a single offer, and not enough homes were being built. We have introduced affordable rent, which means that rents can be up to 80% of the market rent. That is a more viable option, and it means that less money can produce more homes and that new investment will go into providing homes for the most needy in society, who were so badly let down by a Government who produced only a 14,000 net gain in affordable homes during a 13-year period in office.[1]

1. *[Official Report, 27 October 2010, Vol. 517, c. 5MC.]*

Graham Jones (Hyndburn) (Lab): Will the Minister not accept that the new homes bonus scheme is in chaos? Can he explain what the incentive will be for local planning authorities, which according to the policy that the Government have set out will receive only 15% of the receipts, with 85% being returned to the shire authorities outside unitary areas, which are not involved in the planning process? Will the incentive be 15%, or will it be greater?

Grant Shapps: I am sorry that the hon. Gentleman is so confused about this. It is actually a very simple scheme, unlike ones such as the local housing delivery planning grant, which his Government used. That was so complex that literally nobody understood it or had any idea how much money would come in. Our scheme is simple. For every home built, there will be match funding for six years at the actual band price at which it is built. By the way, if it is affordable housing, 125% of receipts will be provided. We will consult on the split between district and upper-tier authorities, but something like 80% is likely to go to the planning authority. That will be a massive incentive for this country to get out and build the homes that Labour failed to build during its 13 years.

Gordon Birtwistle (Burnley) (LD): Can the Minister confirm that housing market renewal pathfinder funding will continue in the short or medium term, to enable the removal of all unwanted and uninhabited properties in the pathfinder areas? The acquisition and removal of those properties will clear inner areas of our towns and cities to enable the new affordable homes that we desperately need.

Grant Shapps: I am very grateful to the hon. Gentleman. I have visited pathfinder schemes on many occasions, and some were very good and some had some problems. We will complete all the committed HMR schemes, and we will then roll the funding up into the regional development fund to continue the good work.

Alison Seabeck (Plymouth, Moor View) (Lab): The Minister can try, but he really should not duck responsibility for his own policies. When he announced this particular scheme in the summer, he told councils, "Build now, develop now, and you'll get substantial benefits in the future." Can he confirm that 70 local authorities have cancelled developments, 160,000 homes have not been built, the house builders are taking the Government to court and his scheme has been kicked into the long grass of 2011? Just how many homes will be built in the next 12 months?

Grant Shapps: May I start by welcoming the new shadow Housing Minister to her post? I hope that she does it for as long as I did—I shadowed many different Front Benchers. In the autumn, she made an interesting statement. She said that too many people thought her Government had not listened to them about housing. The difference is that we will certainly listen, and the new homes bonus will reward all the planning applications that have already been made where homes have yet to be built, so it will include all those homes. It will provide a far more compelling incentive than the local planning housing delivery grant ever did. The Conservative party has a proud record of house building. We have already heard that the previous Government managed a net addition of just 14,000 affordable homes in 13 years.

Non-departmental Bodies (Staff Costs)

4. **David T. C. Davies** (Monmouth) (Con): What progress has been made in publishing the pay and expenses of staff of non-departmental public bodies sponsored by his Department. [18463]

The Secretary of State for Communities and Local Government (Mr Eric Pickles): My Department has been at the forefront of transparency, and the Department's public bodies will publish their senior salaries and expenses data on Friday 29 October.

David T. C. Davies: We know from information that has already been published that the heads of the Audit Commission spent thousands of pounds wining and dining people in a gentleman's club. We also know that the head of the Equality and Human Rights Commission is chauffeur-driven in his own personal car. May I therefore congratulate the Secretary of State on his actions to ensure that those quango bosses publicise their expenses and salaries, and urge him to do more so that they are held to the same standards of transparency and scrutiny as Members of Parliament, who represent the people?

Mr Pickles: In fairness to the Audit Commission, my hon. Friend will want me to point out that the gentlemen's clubs are those in the west end, not Soho. I have been concerned for some time about some of the Audit Commission's excesses. One of my first decisions was to veto a suggested £240,000 salary for a chief executive. I was not particularly impressed by the chairman's suggestion of a whip-round among members of the private sector that audit to top up his salary. I thought that that suggestion might well have been misinterpreted.

Regional Spatial Strategies

5. **Chris Skidmore** (Kingswood) (Con): What the timetable is for abolition of regional spatial strategies. [18464]

The Minister of State, Department for Communities and Local Government (Greg Clark): The previous Government's regional spatial strategies were revoked on 6 July, and the remaining provisions will be repealed through the localism Bill, which will be introduced later this year. Along with the new homes bonus, which my hon. Friend the Minister for Housing and Local Government described, it is a key element of our plans to return decisions on housing and planning to local communities, allowing them to shape their neighbourhoods.

Chris Skidmore: Green belt land in my constituency and elsewhere remains under threat as a direct result of the previous Government's regional spatial strategies. What steps will the Government take to ensure greater green belt protection in future?

Greg Clark: I am grateful to my hon. Friend. One of the problems of the previous regional spatial strategies was the imposition on local communities. In my hon. Friend's area, the region forced green belt reviews on his community. The same applies to Manchester, Liverpool, West Yorkshire, Stevenage, Hemel Hempstead, Woking, Guildford, Harlow and Oxford. That is not the way to proceed. If one wants consent for development, one must involve local people and allow them to determine the character of their area.

Chris Williamson (Derby North) (Lab): Yesterday the Prime Minister said it was important to protect economic growth, but actions speak louder than words. Since the Government came to power, local authorities have already ditched plans for 160,000 homes—1,300 every day. Is it not the case that abolishing the regional spatial strategy has paralysed the planning system, forced building workers on to the dole and contributed to slower economic growth?

Greg Clark: The answer is no.

May I welcome the hon. Gentleman to the Front Bench? He is an ambitious sort. I do not know whether it reflects on the current performance of the Leader of the Opposition, but I note that the hon. Gentleman has registered the website chriswilliamsonlabourleader.com. I do not know whether that is the start of a glorious career here.

Mr Speaker: Order. I have to tell the Minister that although that is a fascinating nugget of information, it has nothing to do with regional spatial strategies, on which I know that he will now focus.

Greg Clark: I am glad that you are as fascinated by that as I am, Mr Speaker. If we want a serious discussion, it is important that we change the situation in which all planning applications in this country are seen to destroy quality of life and are fiercely resisted. That is the sad state of things, and we must understand that we need to unblock that. One way to do so is to ensure that communities benefit financially through incentives. The other is to allow local communities to help to specify and design the characters of their local neighbourhoods. If we do that, we can take some of the poison out of the system and have more new homes.

Local Councillors

6. **Philip Davies** (Shipley) (Con): If he will take steps to reduce the number of councillors in local authorities headed by an elected mayor. [18465]

The Secretary of State for Communities and Local Government (Mr Eric Pickles): I appreciate that my hon. Friend has a distinct personal interest in the welfare of elected mayors. Decisions on the number of councillors in any local authority are handled by the independent Local Government Boundary Commission, in which process I have no role.

Philip Davies: As the Secretary of State indicated, I should declare that my father is the elected mayor of Doncaster—quite how, nobody knows. Does my right hon. Friend agree that it would be bizarre if his introduction of elected mayors around the country led to an increase in costs and an increased layer of bureaucracy in local government? Therefore, when introducing elected mayors, should he not take the opportunity to reduce the number of councillors in those areas at the same time?

Mr Pickles: It is within the purview of a local authority to ask the Local Government Boundary Commission at any time to review its boundaries and the number of members. Mansfield district council has done that, and is moving from multi-member wards to single-

member wards. When the commission publishes its recommendations, they will be laid in the House under the usual 40-day rule.

Diana R. Johnson (Kingston upon Hull North) (Lab): How does the Secretary of State square the imposition of elected mayors in the 12 largest cities in this country with his commitment to localism? How does that work if people will not be asked whether they would like a mayor or whether they wish to continue with local councillors?

Mr Pickles: The hon. Lady is mistaking this Government's position with that of the previous one, who would often impose things on local people. She seems to be suggesting that we would somehow impose mayors on those 12 cities, but of course we will not—that is completely out of the question. The proposals will be subject to referendums. Once we know the views of the people in those 12 cities, we will move on to the election of a mayor if people vote for that.

Standards Board for England

7. **Rehman Chishti** (Gillingham and Rainham) (Con): What timetable he has set for the closure of the Standards Board for England. [18466]

The Secretary of State for Communities and Local Government (Mr Eric Pickles): The provisions will be in the localism Bill, and we will move as speedily as possible.

Rehman Chishti: What will replace the board and how will members of the public be able to hold their councils and councillors to account?

Mr Pickles: We have been in discussions with the Local Government Association and we will have a code of conduct, which seems to me to be a sensible way of doing that—*[Interruption.]* The right hon. Member for Greenwich and Woolwich (Mr Raynsford) seems to think that the boards have achieved something, but their only achievement has been to be petty, silly and pointless.

The latest example of that concerns a Green party councillor, Jason Kitcat, who placed unofficial video footage of a council meeting on his website. He has been referred to the board for not showing his council respect. With the joyous news of the Lady Thatcher's improving health, perhaps I could say to Councillor Kitcat: "YouTube if you want to."

Housing Development (Consultation)

8. **George Hollingbery** (Meon Valley) (Con): What guidance his Department provides to local authorities planning large housing developments in their area on consultation with residents of neighbouring local authority areas likely to be affected. [18467]

The Minister for Housing and Local Government (Grant Shapps): Local authorities must follow the regulations on preparing their local plans and consult widely with local people affected by proposals. They must also ensure that that public consultation has real meaning and that it is taken into account when putting local plans together.

George Hollingbery: I am grateful for that answer and I should like to push the issue of cross-border co-operation a little further. Under the Government's new homes bonus scheme, it is reasonable to suppose that some local authorities will be tempted to build large settlements at their boundaries, where the disbenefit accrues to local authorities across the boundary. Does the Minister have any plans to ensure that the income flowing from the new homes bonus will flow across local authority boundaries where appropriate?

Grant Shapps: I am grateful to my hon. Friend for that question. First, we are introducing a duty to co-operate, so that one authority has to be talking to its neighbour in order to get its local plan signed off. Secondly, I can confirm today that the flow of new money from the new homes bonus will be some £900 million, even before top-slicing in the later years, so it will be a significant amount. In that context, there is nothing to prevent one local authority from speaking to its neighbour and saying, "Look, we'd like to build these homes here, but we recognise that this would have some impact on you there. We will come to a deal with you, and if we're both happy it will go into our local plan."

Clive Efford (Eltham) (Lab): When a local authority has decided to take the money from the homes bonus, little though it is, at the expense of a neighbouring local authority or in the face of local opposition, whose views will take precedence—the local authority taking the money, local people, or the neighbouring local authority?

Grant Shapps: I am amused that the hon. Gentleman thinks that billions of pounds is little money: it shows how the Opposition thought about taxpayers' money when they were in power. It is a large amount of money and it will make a significant difference. The answer—although I know this is a strange concept to Opposition Members—is something called democracy. It is called asking voters what they want and putting a local plan in place that reflects the local population's wishes, not what the Minister wants here in Whitehall, as happened under the old regional spatial strategies.

David Tredinnick (Bosworth) (Con): Is my hon. Friend aware that his guidance seems to be being ignored by the Planning Inspectorate, which is insisting on making the five-year housing supply paramount in its decisions, causing great concern in Burbage and Groby in my constituency as representations are made and ignored?

Grant Shapps: It is enormously important that the Planning Inspectorate notices that there has been a change of Government and therefore changes in policy. If it is not entirely certain, we will have the localism Bill next month and I hope that that will clarify the matter once and for all.

Small Businesses

9. **Mr Russell Brown** (Dumfries and Galloway) (Lab): What discussions he has had with the Secretary of State for Business, Innovation and Skills on the effect on levels of employment in small businesses of reductions in his Department's funding to local government. [18468]

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): The Secretary of State has had discussions on a number of topics with the Secretary of State for Business, Innovation and Skills. We are aware of the need to offer continued support to small businesses in this difficult economic climate. That is why we are committed to providing local authorities with the freedom to determine how best to allocate their resources to meet local priorities.

Mr Brown: In many areas, the local authority is far and away the largest employer and as a result many small and medium enterprises depend heavily on it for contracts and to keep their businesses going. The tightening up that we will see will therefore inevitably lead to small businesses suffering as a result of what has happened in the last 24 hours.

Andrew Stunell: I certainly agree with the first two thirds of what the hon. Gentleman says, but his conclusion is wrong. In the Secretary of State's conversations with colleagues at the Department for Business, Innovation and Skills, they drew our attention—as did the Chancellor—to the small business rate relief, which gives 100% relief for properties, up to £6,000. There is also the holiday on national insurance contributions for the first three years of start-up companies, and this Department is responsible for the local enterprise partnerships, on which we are working closely with the Federation of Small Businesses to ensure that they can play an effective part.

I remind the hon. Gentleman that a large proportion of our housing programme, which will spend £6.5 billion, will of course involve the small construction sector. Our regional growth fund of £1.4 billion will also contribute. We are working hard to ensure that councils understand their role in procurement and delivery of services to ensure that small companies and the voluntary and community sector can be involved. If he asks the question—

Mr Speaker: Order. The comprehensiveness of the Minister's answer is equalled only by its length. We need snappier answers from now on.

Dr John Pugh (Southport) (LD): Does the reduction of 7% for four years in local government funding include the 3% efficiency target proposed by the previous Government, or does it exclude it?

Andrew Stunell: The figures announced yesterday were in relation to a base that was set by the outgoing Labour Government. I do not know whether that is the complete answer my hon. Friend wants, but I am happy to write to him further if he needs me to.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): PricewaterhouseCoopers estimates that on the back of the cuts announced yesterday, 82,000 jobs will go in Yorkshire. Could the Minister describe the mechanism to avoid a further double whammy for the city of Sheffield—its individuals, businesses and communities—from the 26% reduction in the overall grant to the city over the next four years and the 18% reduction in the area-based grant, which is theoretically being un-ring-fenced, but which will actually not exist at all unless there is a mechanism to retain it in the communities that were receiving it?

Andrew Stunell: I thank the right hon. Gentleman for his question, but would remind him that the economy has shrunk by 6%, and that was before the general election. Many, many people in the private and public sectors have already faced the devastating consequences of that. We are setting that right.

Miss Anne McIntosh (Thirsk and Malton) (Con): Will the Minister confirm that there will be many opportunities for economic development in York and North Yorkshire, which have suffered owing to the mass investment in places such as Boeing in Sheffield, under the local economic partnerships?

Andrew Stunell: I hope that each local economic partnership will be a focus for growth, jobs and development. Obviously there is competition, but we need every part of the country to grow quickly, to get back to the level of prosperity that we should have.

Jack Dromey (Birmingham, Erdington) (Lab): Small businesses all over Britain depend on £20 billion of local government procurement. PWC has predicted 500,000 job losses in the private sector, with 100,000 in the construction industry and 180,000 job losses in business services. Does the Minister therefore not agree that it is an abrogation of the Government's responsibility to have failed to conduct an impact assessment study of the effect of their actions in the public sector on the private sector, thereby avoiding coming clean? Does he also agree that the evidence is clear: for every job that goes in local government, at least one will go in Britain's small businesses?

Andrew Stunell: Let me welcome the hon. Gentleman to his role, and say that I would have thought that, with his background, he would be the last person to put a lot of dependence on a private consultant's report about what was going to happen next. From our point of view, we think that we have got the right remedy for Britain's ills, and I believe that in a year's time he will agree with us.

Big Society Vanguard Communities

10. **Rory Stewart** (Penrith and The Border) (Con): What progress has been made in establishing projects in the big society vanguard communities. [18469]

The Minister of State, Department for Communities and Local Government (Greg Clark): Good progress is being made on removing barriers to local action in the vanguard areas. In my hon. Friend's constituency, we are working with the local community in the Eden valley on the roll-out of next-generation broadband, on advancing neighbourhood planning and on devolving budgets to communities. Similar progress is being made in the other areas, as part of my commitment to put my civil servants, in my Department, at the service of communities across Britain.

Rory Stewart: I thank the Minister for the work that his team is doing to support the Eden communities and the councils, and for the real progress on broadband. What lessons and experience can we take from Eden and apply to other parts of the country?

Greg Clark: Let me pay tribute to the leadership that my hon. Friend has given during his six months in this House, and extend an invitation to other hon. Members across the House, who are leaders in their communities. I have made an offer: if we believe, as I do, that the best ideas come from people in communities, rather than just from senior officials in Whitehall, then we need to make the resources of the Department available to people in communities. I extend this invitation to all hon. Members: if they have good ideas that are facing barriers that need busting, let us know and we will help.

Malcolm Wicks (Croydon North) (Lab): Given that one of the building blocks of the big society, which I believe in, is the voluntary sector, will the Minister comment on the decision by Croydon council to axe the grants to more than 20 voluntary organisations? Those organisations form the great majority of those that the council has been funding, and they include the Croydon rape and sexual abuse support centre. Does he agree that if the same thing happens nationwide, that will not be about building the good society—or, if he prefers, the big society—but will put us on a slippery slope towards a painful and bad society?

Greg Clark: The right hon. Gentleman and I agree, I think, that it is highly desirable that we should transfer power from the centre to local communities, and that involves councils, too. I do not expect them to pull up the drawbridge in the town hall when we decentralise power and resources to them. I look to councils to increase their contacts with the voluntary sector as part of the decentralisation initiative, which affects everyone.

Barbara Keeley (Worsley and Eccles South) (Lab): There are

"real fears that spending cuts will impact adversely on the capacity of the charitable and not-for-profit sector. Far from taking on more… it may be able to do rather less."

That comment on the big society was from the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives. Can the Minister tell the House just how he expects expansion in a sector that will suffer loss of grants and support—as we have heard, it is already happening—due to the 28% budget cuts over the next four years that this Government have forced on to local councils?

Greg Clark: May I welcome the hon. Lady to the Dispatch Box? She has long experience in local government, which I know takes these issues very seriously. One thing that councils and central Government have had the chance to do in the past is to hold on to power and to avoid bringing in the voluntary sector as of right. I think we need to change that. The hon. Lady will see that, in the localism Bill, we are going to entrench rights for community groups to take over some of the services of local authorities if they can demonstrate that they can have a more effective outcome. Rights, I think, rather than discretion, is the best source of guarantees for the sector.

Planning System

11. **Richard Graham** (Gloucester) (Con): What steps he has taken to reduce the burden of administration in the planning system. [18470]

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): Reducing and minimising burdens in the planning system is essential if the system is to work effectively and if we are to remove a financial burden on the economy, which has been estimated in figures quoted in the Killian Pretty report as being up to £2.7 billion a year. That therefore forms a central part of the Government's reform proposals in the localism and decentralisation Bill and the national planning framework. We have already taken specific steps, with which I would be happy to acquaint the House in more detail if time permitted—for example, by consolidating 17 regulations into one and three preservation orders into one, saving £1.5 million already.

Richard Graham: I am grateful to my hon. Friend. The £400 million redevelopment project in the Gloucester Quays in my constituency was unnecessarily delayed for more than a year as a result of being called in by the previous Government. Does the Minister agree that local planning decisions are now precisely that, that they will no longer be subject to frequent interference by the Government and that today we can send a clear message to developers and investors—in Gloucester and elsewhere—that we are open for business without delay?

Mr Speaker: Briefer this time.

Robert Neill: Localising decision making and planning is central to the Government's policy. Ministers have made it clear that they will exercise the power to call in only very sparingly where matters of significant national interest and policy are concerned.

Mr Clive Betts (Sheffield South East) (Lab): Is the Minister aware that in looking at the abolition of the regional spatial strategies, the Select Committee is receiving evidence that because those strategies had an evidential base—not merely in respect of house building numbers, but in many other matters on which local development frameworks were based—many local authorities are now having to go back and redo that evidential base at a local level, causing an enormous amount of work and inconvenience to them? Did the Minister take account of those extra burdens when he decided to abolish the regional spatial strategies?

Robert Neill: The vast majority of local authorities I have spoken to greatly welcome the abolition of those strategies, which imposed undemocratic targets on them. There is no need to rework the evidence base—it is already there. We have given local authorities the power to revise the figures that were arbitrarily imposed on them from above.

Sustainable Development

12. **John Glen** (Salisbury) (Con): What steps his Department is taking to encourage locally supported sustainable development through the planning system. [18471]

The Minister of State, Department for Communities and Local Government (Greg Clark): The coalition programme for government included a commitment to

a radical reform of the planning system to give neighbourhoods far more ability to determine the shape of the places in which their residents live. Our proposals to decentralise planning back to neighbourhoods will be set out in the localism Bill, which will be published shortly.

John Glen: I thank the Minister for his answer. Following recent discussions in my Salisbury constituency, particularly with individuals in Winterslow who have created parish plans, will the Minister comment on the role parish plans will play in influencing sustainable development in the planning process?

Greg Clark: My hon. Friend asks a very important question. I think neighbourhoods, parish councils and town councils, which intimately understand their areas, have been cut out of the planning process for too long. We will introduce rights in the localism Bill for neighbourhood plans to have statutory force so that people can actually have a say in how their communities develop.

Alison McGovern (Wirral South) (Lab): Bromborough Dock landfill site in my constituency desperately needs sustainable development. The Forestry Commission had a plan to turn it into a publicly accessible park, but that plan has now been withdrawn, following the abolition of the Northwest Regional Development Agency. What advice can the Minister give me about how to turn this former industrial site into a beautiful green riverside park, given the actions of his Government?

Greg Clark: I am very happy to take forward the hon. Lady's suggestion, and I will follow it up after this. I will make my team of civil servants available to her, to see whether we can help her with any barriers that might be preventing that from happening.

Small Business Rate Relief

13. **Mark Lancaster** (Milton Keynes North) (Con): What progress he has made on his proposals for the future of small business rate relief; and if he will make a statement. [18472]

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): The coalition agreement contained a commitment to find a practical way to make small business rate relief automatic. We have had discussions with interested parties, and we are now assessing the options.

Mark Lancaster: Milton Keynes is a dynamic and entrepreneurial city, and the Government's moves on small business rate relief are most welcome, but will the Minister tell the House what more the Government could do to encourage local councils to be more flexible in offering different incentives to new businesses?

Robert Neill: We are considering the possibility of giving local authorities wide-ranging discretionary powers to grant business rate discounts, so that they can respond to local circumstances by reducing local businesses' bills. We are also taking steps to ensure that no new supplementary business rate can be imposed without the backing of local firms in a referendum.

Community Assets

14. **Stella Creasy** (Walthamstow) (Lab/Co-op): What plans he has for future funding to facilitate community management and ownership of local community assets; and if he will make a statement. [18473]

The Minister of State, Department for Communities and Local Government (Greg Clark): The Government will be making it much easier for communities to take on community assets, through the community right-to-buy provisions in the localism Bill. Following the spending review statement yesterday, we will shortly be announcing our plans to provide further funding to support communities in exercising that right. Communities can now get advice and practical help from the Government-funded asset transfer unit, and money is available this year through Communitybuilders for business development support and investment capital.

Stella Creasy: Residents living near the former St James street library in Walthamstow want to be part of the big society by buying the building and turning it into a community centre. The previous Government committed £20 million to an empowerment fund to help local people to make these things happen. Rights and announcements are all very well, but what actual funding can residents in my area expect to be able to bid for, to help to turn the rhetoric surrounding asset management into a reality?

Greg Clark: I know that the hon. Lady is a great champion for community facilities. She has had correspondence with me on this matter, and as a Co-operative party MP, she shares our belief that co-operatives have a great deal to offer. Perhaps I should refer to her as my hon. Friend in this context! The big society bank, which was announced by the Chancellor yesterday, will be expressly designed so that part of its purpose will be to make capital available, and I hope that her project will make one of the early applications to it.

Directly Elected Mayors

15. **Mrs Mary Glindon** (North Tyneside) (Lab): What representations he has received on his proposals to establish directly elected mayors in 12 cities in England. [18474]

The Secretary of State for Communities and Local Government (Mr Eric Pickles): We have received many communications from various people who are interested in mayors, and it is our intention to introduce 12 mayors. We will also be introducing additional powers. I think the problem with mayors in the past is that they have been just another politician—[HON. MEMBERS: "Boris!"] But as Boris Johnson has demonstrated in London, with passion and with power one can transform the post.

Mrs Glindon: We have had elected mayors in North Tyneside for more than eight years, and our most effective one was Mr John Harrison, who was the Labour mayor for four years. He did much to progress the area, but, unfortunately, we now have a Conservative mayor. Regarding the proposal for 12 elected mayors,

one of the Local Government Ministers has said that they will be chosen from among council leaders, with a referendum to follow afterwards. Should they not be chosen in an election, as the coalition agreement states?

Mr Pickles: I have to say that Linda Arkley is doing a fantastic job as the Conservative mayor, and a very effective one, too. Perhaps the hon. Lady should have paid a little more attention to the earlier question, when I ruled out the possibility that we would be imposing mayors. This will be subject to a referendum. It was the Labour party that imposed forms of government on local government without consultation and without listening. This Government have learned the lesson; we will follow the will of the people.

Mr David Ward (Bradford East) (LD): Does the Secretary of State agree that, in regard to the localism agenda, there might be a case for arguing that the imposition of a referendum on elected mayors is as bad as the imposition of elected mayors themselves?

Mr Pickles: My hon. Friend, whom I have known for the best part of 30 years, is sometimes a stranger to democracy. I know that democracy is an inconvenience, but I do not think it that it will do any harm to consult the people of Bradford.

Local Community Groups

16. **Nicola Blackwood** (Oxford West and Abingdon) (Con): What steps he is taking to reduce the regulatory requirements his Department places on local community groups. [18475]

The Minister of State, Department for Communities and Local Government (Greg Clark): I am determined to make it easier for local community groups to thrive. There are three ways in which we can help. First, there is a determination across Government to remove unnecessary burdens. Lord Young of Graffham is reducing the burden of health and safety legislation, while Lord Hodgson is tasked with reducing burdens on voluntary groups and will report in 2011. Secondly, as I said earlier, I have established a team in my Department to help local communities directly to get rid of barriers that stand in their way. Thirdly, I look to local government to avoid being over-prescriptive when issuing contracts to voluntary organisations.

Nicola Blackwood: My constituency contains many dedicated volunteers, but many others are put off by the intrusive system of multiple Criminal Records Bureau checks. One deputy head, who had been checked for his school, was unable to accompany his own students in a cub activity unless he obtained another CRB check from the scouting organisation. While I share the House's commitment to child protection, as deputy chairman of the all-party parliamentary scout group I also feel deeply frustrated by bureaucratic barriers of that sort. What steps is the Department taking to ensure that we support volunteerism rather than stifle it?

Greg Clark: That is a brilliant question, and my hon. Friend has a fantastic track record of social action.

Although scouting is more popular than ever before and more teenagers are joining the movement than ever before, the waiting list is at a record level because there are not enough volunteers to catch up with it. CRB checks are an important aspect of that, and the Home Office is reviewing the vetting and barring arrangements. In response to a suggestion made by a member of the public through the "spending challenge" process, we will make it possible for relevant organisations to share CRB checks.

Topical Questions

T1. [18485] **Julian Sturdy** (York Outer)(Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Communities and Local Government (Mr Eric Pickles): The Department has been concerned with the spending review. It is essential for us to bring down the budget deficit, drive economic growth, and pull Britain together.

The Department has also had an opportunity to decentralise power and promote fairness in our society. We are committed to a £6.5 billion affordable housing and decent housing regime; we are tackling the pressure on social services by providing an additional £2 billion in support for adult social care; we are helping the vulnerable with the £6.5 billion Supporting People programme; we are giving councils unprecedented flexibility by ending ring-fencing; and we are folding £7 billion into formula grant.

Julian Sturdy: Can the Minister outline the powers invested in local authorities to restrict the spread of houses in multiple occupation in areas where large numbers of such houses are causing concern to local communities?

The Minister for Housing and Local Government (Grant Shapps): My hon. Friend is right to point out that there are instances in which HMOs cause problems for local communities. Indeed, it happens in my own constituency.

On their last day in office, the last Government introduced a blanket authority requiring HMO planning permission to be obtained everywhere in the country before the use of a property could be changed. On 1 October, we altered the arrangement to ensure that it could be zoned as and where a local authority needed it to be.

T3. [18487] **Diana R. Johnson** (Kingston upon Hull North) (Lab): In the light of the 60% cuts in the social housing budget that were announced yesterday, will one of the Ministers tell me whether the private finance initiative scheme in Orchard Park and the stock transfer in Bransholme will go ahead?

Grant Shapps: Now that the spending review is out of the way, we shall be able to announce which PFI projects will be able to continue.

T2. [18486] **Duncan Hames** (Chippenham) (LD): Council tax payers in my constituency have been dismayed by golden goodbyes for council bosses since the move to one council for Wiltshire. Just four staff shared nearly £2 million in remuneration in their final 12 months in post. Will the Secretary of State bring into line the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, which have made that scandal possible?

Mr Pickles: This has been a more than unfortunate feature of local government for a long time. We have seen chief executives move from one authority and receive a very generous farewell, only to join another authority. It is completely unacceptable. If local authorities do not deal with the position themselves, the Government will be left with no alternative but to take the necessary action. However, I believe that allowing an entire council, rather than a tiny, cosy elite, to decide such matters on the floor of the chamber will make a difference.

T6. [18490] **Mr Chuka Umunna** (Streatham) (Lab): Last week, the Government announced that in London the responsibilities of the Homes and Communities Agency would be passed to the Mayor. What assurances can the Secretary of State give that this decision is not being used as a ruse to deprive London of much-needed investment in affordable housing? What extra funding will the Mayor of London get to enable him to fulfil these new responsibilities?

Grant Shapps: We think that, in line with localism, it is very important that money goes directly to the place where it is required. The way in which the Homes and Communities Agency operated in London was a great example of how not to do it, because we ended up with the chief executive of the national HCA, a London chief executive for the HCA and the elected Mayor having to work almost against each other. There is no point in that, because we can simplify things by having the money go direct. The amount of funding will now be resolved, with the spending review out of the way.

T4. [18488] **Mr Peter Bone** (Wellingborough) (Con): The abolition of the Standards Board for England is greatly welcomed across the country, but it will have to be in the local government Bill. At the moment, there is a rush of new complaints, many of which are frivolous and malicious. Is there any way in which those can be stopped now, by stopping referrals to the Standards Board for England?

Mr Pickles: In fairness to the standards boards, they are trying to take away some of the more frivolous and silly complaints, the lowest level of which was the complaint that Ken Livingstone had been rude to a journalist—the very thought sends shivers down my spine, of course. Even if Ken had been a little emotional that night, the right thing is for the people to decide; it is for the electors to decide, not a quango. That entire investigation cost £200,000 and it was utterly pointless. I am doing my bit by taking substantial sums away from the standards boards.

T7. [18491] **Liz Kendall** (Leicester West) (Lab): Has the Minister assessed how the 28% cut in local authority funding over four years will affect women, who are more likely to use and work for local authority services?

Mr Pickles: We will of course be making a full assessment. I say to the hon. Lady that the correct figure is 26% and that if we had not taken this decision, we would be facing savage and uncontrolled cuts in local authorities, because of the Labour party's failure. We have a plan—the Labour party does not.

T5. [18489] **Neil Carmichael** (Stroud) (Con): As we all know, the previous Labour Government managed to build only 14,000 new social houses during their entire period. *[Interruption.]* Oh yes it is true.

Hon. Members: Oh not it's not.

Mr Speaker: Order. I ask the hon. Gentleman to spit it out.

Neil Carmichael: My question is: how will the measures that we announced yesterday help to ensure more supply and enable people to get on a waiting list that has some meaning and where there is some chance of their getting a house?

Mr Pickles: The reaction of those on the Labour Benches clearly demonstrates that the previous policy was indeed a pantomime. We are determined to break through the hypocrisy that exists on social housing. In order to halve the existing waiting list, we would have had to spend about £50 billion. The Labour party produced a scheme that did not work. Ours goes with the natural flow of the housing market, and I am pleased to see chief officers of housing associations welcoming it and welcoming the flexibility. We will be able to implement many of the plans that the right hon. Member for Don Valley (Caroline Flint) so gallantly pioneered, only to be stopped by the previous Prime Minister.

T9. [18493] **Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): According to Allister Hayman of the *Local Government Chronicle*, regional development agency network liabilities have reached £1.5 billion and could rise as high as £2.5 billion. The Government plan a freeze on RDA spending beyond March 2011, which includes match funding, so how will this funding gap on Department for Communities and Local Government programmes partnered by the eight RDAs be met? Will the Government's new local enterprise partnerships be adequately funded when they begin?

Mr Pickles: We are clearly examining the commitments made by RDAs. I express a high degree of disappointment that in the purdah period between the change of Government a number of contracts were entered into inappropriately. We will be doing our best to sort out that mess and see that the assets are returned to the new local enterprise partnerships. I must say that I am very disappointed at the irresponsible attitude that some RDAs displayed during that period.

T8. [18492] **Brandon Lewis** (Great Yarmouth) (Con): We have just heard about RDAs, and it is great news to me that we are moving towards local enterprise partnerships. People across Norfolk have come together—businesses, small businesses, the Federation of Small Businesses, the chamber of commerce, some big organisations, local authorities and the university—to put together a bid just for Norfolk. Does the Minister agree that this is a much better way to true localism, which enables us to see local economies grow, and will he look sympathetically at the Norfolk bid for a LEP?

The Minister of State, Department for Communities and Local Government (Greg Clark): I will certainly look sympathetically at it, although I cannot pre-empt the conclusions of the review. I think the process of inviting bids between business, local authorities, universities and the voluntary sector for LEPs has resulted, as Members will see shortly, in a fantastic set of proposals that will give energy and dynamism to the regeneration of some of the communities that need it most.

Mr Dennis Skinner (Bolsover) (Lab): Last year, the Minister for Housing in the Labour Government allocated money to replace more than 100 council pre-fabs because the foundations were collapsing. Earlier this year, this Government decided to stop that money even though it had been allocated. All those pensioners and disabled people are waiting for those new homes. In this brave new world of £6.5 billion, can I get on the phone to Bolsover district council now and tell them that the Tarran bungalows are to be replaced?

Grant Shapps: The hon. Gentleman will be delighted to know that out of the £6.5 billion of money going to social housing, £2.1 billion is going to continue with the decent homes programme. I can also give him a further undertaking: we will ensure that, unlike my immediate predecessor, I do not raid that budget—as he did last July—to take some of the money and put it into a re-announced announcement elsewhere in the budget.

Mr Skinner: So the answer is no, then, is it?

Mr Speaker: Order.

T10. [18494] **Laura Sandys** (South Thanet) (Con): How will the Department impress on local authorities the need to commission as many of their services as possible from the voluntary sector, small business and community groups seriously to deliver more cost-effective, creative and innovative services at the front line?

Greg Clark: That is a very good question from my hon. Friend. It is important, as I said earlier, that we do not centralise in the town hall at a time when we are decentralising from the Government. In fact, the chief executive of the voluntary organisations' umbrella body said that he was highly encouraged by our proposals to entrench these rights for community groups to receive funding from local authorities.

Mr David Lammy (Tottenham) (Lab): May I ask the Secretary of State, on the invitation of Haringey council, whether he would come to Tottenham and spend an evening in one of my estates? There is now real concern about homelessness in Haringey with the cut to housing benefit, the desire to take social housing rents to the same level as those in the private sector and the cut of 28% to local authority grants. Will he come to Tottenham and spend an evening with the community?

Grant Shapps: The question relates to the problem of homelessness, which is close to my heart. I can reassure the right hon. Gentleman that there is £12.25 million, much of which will go to London authorities, to help with transition. I know that he has 4,500 non-decent homes left within his arm's length management organisation stock that the new £2.1 billion will assist. On behalf of the Secretary of State, I shall be happy personally to accept his invitation and come and spend an evening in the estates with him. I look forward to it.

Several hon. Members *rose—*

Mr Speaker: Order. If I am to accommodate a few more questions, they must be very brief, and so must the answers.

Bob Russell (Colchester) (LD): Because it is both topical and urgent, I ask the Minister to refer back to question 5. Local authorities are not necessarily taking any notice of what the coalition Government Ministers are saying in their pronouncements, particularly in the case of officers at Colchester borough council. Will he therefore visit Myland parish council in Colchester to see the absurd proposals that are going forward there?

Mr Pickles: If we are organising trips around the country, the least I can do is come and see my hon. Friend in Colchester.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): Will the Secretary of State tell the House whether he believes that house prices will rise or fall over the next six months? If they fall, would he see that as a good thing or a bad thing?

Grant Shapps: House prices will fluctuate. *[Interruption.]* It is obvious. We do not want to see house prices doubling in a period of just 10 years as happened under the last Labour Government, locking generations out of being able to get a foot on the housing ladder. This Government want to help people on to the housing ladder, not exclude them.

Christopher Pincher (Tamworth) (Con): Last Friday, local volunteer groups in conjunction with Tamworth borough council launched the Tamworth community action network, which enables local volunteers to use council office space to provide volunteer services and recruit more volunteers. Will Ministers commend this local initiative, and will they consider visiting when time allows?

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): I think that is the third invitation to Ministers to visit Members' constituencies in this set of topical questions. The hon. Gentleman has referred to an excellent project. It is an exemplar that we are keen to see replicated elsewhere, and I look forward to visiting it.

Heidi Alexander (Lewisham East) (Lab): Yesterday we heard about the supposedly extra money that councils will get to meet the care needs of the elderly and disabled. How much is that sum of money compared with the total overall cuts faced by local government? I am concerned that what is being given with one hand is being taken away with the other.

Mr Pickles: That is an outrageous suggestion. For years upon years I stood at the Opposition Dispatch Box demanding that the money be released from the

health authority to local authorities to deal with this. We have done that; the hon. Lady should be saying thank you.

Esther McVey (Wirral West) (Con): Will the Secretary of State join me in welcoming the plan set out by Wirral council under its leader Jeff Green to tackle the debt left in the council by the previous, Labour, administration, first through introducing transparency by publishing all expenditure over £500 and, secondly, through a wide consultation with all the Wirral public?

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): I recently visited Wirral and met Councillor Green, and my hon. Friend is absolutely right that the council is using a number of innovative measures not only in the transparency agenda, but in the imaginative use of community facilities such as fire stations working conjointly with youth groups in the big society.

John Cryer (Leyton and Wanstead) (Lab): Will the Liberal Minister now answer the question that has already been asked twice during this Question Time? What is his assessment of the PricewaterhouseCoopers report about extensive job losses in the private sector?

Andrew Stunell: My assessment is that, like a lot of reporting of what the coalition agreement and the comprehensive spending review are about, it is purely speculative. What we have actually got is a programme for growth in the private sector and in small businesses, and we are putting the British economy back on its feet.

Robert Halfon (Harlow) (Con): Is the Secretary of State aware that hard-pressed taxpayers in Harlow and elsewhere are paying the East of England Development Agency chief executive a higher salary than the Prime Minister? When the Secretary of State gets rid of this unnecessary and wasteful bureaucracy, will he ensure that the new local enterprise partnerships no longer waste taxpayers' money in this way?

Mr Pickles: Absolutely, and I will certainly be willing to go to the chief executive's leaving party.

Julie Hilling (Bolton West) (Lab): Does the Minister agree that changes to housing benefit, secure tenancies and the raising of rents will take us back to the "Cathy Come Home" era?

Grant Shapps: No, I do not agree with the hon. Lady and I will tell her this. The last Government used to claim there were just 440 people sleeping on our streets. That is not true. When we came into office we conducted a proper count, and the right figure is 1,247. Hiding the problem is not solving it; this Government are protecting the most vulnerable in society, and that includes the homeless.

Business of the House

11.33 am

Hilary Benn (Leeds Central) (Lab): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 25 October will be as follows:

MONDAY 25 OCTOBER—Proceedings on the Parliamentary Voting System and Constituencies Bill (Day 5).

TUESDAY 26 OCTOBER—Second Reading of the Savings Accounts and Health in Pregnancy Grant Bill.

WEDNESDAY 27 OCTOBER—Second Reading of the Postal Services Bill.

THURSDAY 28 OCTOBER—General debate on the comprehensive spending review.

The provisional business for the week commencing 1 November will include:

MONDAY 1 NOVEMBER—Remaining stages of the Parliamentary Voting System and Constituencies Bill (Day 1).

TUESDAY 2 NOVEMBER— Remaining stages of the Parliamentary Voting System and Constituencies Bill (Day 2).

WEDNESDAY 3 NOVEMBER—General debate on the report of the Bloody Sunday inquiry.

THURSDAY 4 NOVEMBER—General debate on the strategic defence and security review.

Colleagues will also wish to know that, subject to the progress of business, the House will rise for the February recess on Thursday 17 February 2011 and return on Monday 28 February 2011. The House will rise for the Easter recess on Tuesday 5 April 2011 and return on Tuesday 26 April 2011. The House will rise for the Whitsun recess on Tuesday 24 May 2011 and return on Tuesday 7 June 2011. The House will rise for the summer recess on Tuesday 19 July 2011 and return on Monday 5 September 2011. The House will rise for the conference recess on Thursday 15 September 2011 and return on Monday 10 October 2011. The House will rise for the Christmas recess on Tuesday 20 December 2011 and return on Tuesday 10 January 2012.

I should also like to inform the House that the business in Westminster Hall for 4 November will be:

THURSDAY 4 NOVEMBER—Impact of the comprehensive spending review on the Department for Work and Pensions.

Hilary Benn: I thank the Leader of the House for his statement and the recess dates, but when will we know the dates for the rest of the Session?

Last week I raised with the Leader of the House the fact that major Government announcements were appearing in newspapers before they were made to the House. This week—one of profound importance for the country—we find that exactly the same thing has happened again. Details of Tuesday's strategic defence and security review were in the newspapers over several days leading up to it. In other words, journalists got lots of advance information, whereas the Leader of the Opposition got the Prime Minister's statement only 15 minutes before it was made, and in recent days much of the comprehensive spending review has been leaked before the Chancellor got around to telling us about it yesterday.

It seems pretty clear now that Ministers believe that those who report on Parliament are much more important than those who are actually Members of Parliament. It has got so bad that the Conservative former parliamentary candidate and blogger Iain Dale has urged you, Mr Speaker, to take the Government to the cleaners over what has been going on. I wonder, therefore, whether the Leader of the House has plans to clean up this mess. He did not explain last week, but perhaps he can do so now.

On the rights of Members, and following our exchanges last week about the amount of time we will have to debate the CSR, will the Leader of the House now recognise that one day for debate is simply not enough, and that denying the House the opportunity to vote on what is a reckless gamble is simply not good enough either? Will he find more time so that we can debate why Ministers, who have just got jobs, were cheering at the end of yesterday's statement when other people are about to lose their jobs? Will he also find time to debate the inability of the Chief Secretary to the Treasury on television yesterday to explain why the poorest 10% in society will be forced to pay more to reduce the deficit than almost anybody else, when his boss claims that the spending review is anchored in fairness? If the Chief Secretary cannot manage to find the words, perhaps he could walk into the Chamber carrying his briefing folder so that we can take a photograph of it and put a copy in the Library.

Will the Leader of the House find more time so that we can debate why families with children will have to pay more than twice the amount that the banks, which caused the problem, are being asked to contribute? And how exactly will making nearly 500,000 people in the public sector lose their jobs help the economy to recover and create new jobs?

All of this will require time, especially given that we know from last summer's emergency budget that the truth has a habit of seeping out once the fine print starts to be examined. So can the Leader of the House now give the House the assurance it is looking for from him that Members will have the chance to debate the CSR properly, and to vote on it?

Finally, this week we have been debating the Parliamentary Voting System and Constituencies Bill on the Floor of the House. On Monday about 100 pages of amendments were tabled. We are now told that there will be a number of statutory instruments to allow for a combination of polls, with even further amendments to follow. The Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper) told the House:

> "I am very keen that on matters to do with elections this House should get to pronounce before the Bill goes to the other place...we will seek to achieve that."—[*Official Report*, 18 October 2010; Vol. 516, c. 653.]

As far as I can see, the only way to do this is to reschedule either the fifth day of the Committee stage or the remaining stages that the Leader of the House has outlined this morning. Otherwise the House, which has already been unable to discuss very important parts of the Bill because of the speed at which it is being rammed through, will not be able to consider the amendments before they go to the other place, and the Minister's pledge will not have been met. Will the Leader of the House make a statement on this matter?

Sir George Young: I am grateful to the right hon. Gentleman for his questions. I have already announced the dates of the Christmas recess, so I am not quite sure which further dates in this Session he was asking about.

May I return to the right hon. Gentleman's question about a second day for debate on the CSR? The last time this House heard a comprehensive spending review was in 2007, under the Government of whom he was a member. All we had then was a statement, and—at a time when the Government were in total control of the parliamentary timetable—there was no debate whatever. Indeed, so badly did the previous Government behave that the Liaison Committee said about their performance:

"It is absurd that the outcome of the Comprehensive Spending Review was discussed for only an hour and a half in the Chamber, and makes a mockery of the House's right to scrutinise government expenditure."

That is what happened last time there was a CSR.

In the meantime we have had the Wright Committee report, which recommended transferring to the Backbench Business Committee responsibility for fixing debates, and made it absolutely clear that debates on spending reviews were a matter for the House, not for the Government. Notwithstanding that, the Government have found a day out of their own time to debate the CSR, and that is what we will do next Thursday. The right hon. Gentleman may want to restore his party's reputation on the matter, and when the Opposition are given an Opposition day, which I hope to announce quite soon, it will be perfectly open to them to use that day for a second day of debate on the CSR.

The right hon. Gentleman then asked me about the leaks. I was slightly surprised to hear Opposition Members having the chutzpah to complain about leaks and pre-briefing, when for 13 years this House was deliberately and systematically sidelined by professional spinners and manipulators in No. 10. I listened to the Chancellor's statement, and the reason why my colleagues waved their Order Papers was that it was an outstanding parliamentary performance. When the shadow Chancellor sat down, he did not get the same response from his Back Benchers.

On the question of leaks, I listened to the CSR statement, and the vast majority of the CSR was announced first to the House, including the housing benefit reforms, the child benefit changes and the replacement of the education maintenance allowance. But, as with any major announcement, there is inevitably speculation in the press and in the media, and hon. Members should not believe everything that they read in the press. For example, I read that the cold weather payments were going to be abolished, and they were not.

Several hon. Members *rose—*

Mr Speaker: Order. A very large number of right hon. and hon. Members are seeking to catch my eye and there is some pressure on time, so I appeal, as always, for single, short supplementary questions and, of course, to the Leader of the House to exercise his characteristic pithiness in reply.

Priti Patel (Witham) (Con): On the eve of European health and safety week, is the Leader of the House aware of the excessive bureaucracy that Essex county council highways department has imposed upon the village of Coggeshall in my constituency just to put up its village Christmas tree and lights? Can he please reassure my constituents that he will work across Government to ensure that the over-zealous bureaucrats at the highways department do not kill Christmas in Coggeshall?

Sir George Young: I am grateful to my hon. Friend for that question. But first, I should have answered the question that the right hon. Member for Leeds Central (Hilary Benn) asked about the Parliamentary Voting System and Constituencies Bill. I must say that if the hon. Member for Rhondda (Chris Bryant) did not speak for quite so long—he spoke twice for 50 minutes—we would have more time to reach other parts of the Bill. We have allowed five days for Committee, which is a generous allocation, but it is up to Members to respond intelligently to the extra time that we have allocated.

On the specific issue that the right hon. Gentleman raised, I am aware of the discussions that took place, and the Minister said that the Government would seek to ensure that amendments to the Bill following the territorial elections statutory instruments would be made in this House. On 18 October we tabled an amendment to the Bill providing for a combination of the referendum with other elections in order to allow the issue to be debated in Committee, and we expect the territorial orders to be laid before Report. We will then make any necessary further amendments to the combination provisions.

I say to my hon. Friend the Member for Witham (Priti Patel) that we are in favour of Christmas; indeed, we are in favour of Christmas in Coggeshall. My noble Friend Lord Young—no relation—has published his report, "Common Sense, Common Safety", and we are committed to that. We need some proportionality in all such matters, and Lord Young has recommended that officials who ban events on the grounds of health and safety should put their reasons in writing, and that citizens should have a right to challenge such decisions. If my hon. Friend gives me further details of the incident to which she has referred, I shall take it up with the appropriate Department.

Mr Frank Doran (Aberdeen North) (Lab): My right hon. Friend the shadow Leader of the House referred to the many amendments tabled to the Parliamentary Voting System and Constituencies Bill, of which some relate to Scotland. Will the Leader of the House say whether consultations with the Scottish Government have taken place? Will he also let the House know whether a Sewel motion relating to the legislation is needed? It would need to be considered by the Scottish Parliament before issues are discussed in this House.

Sir George Young: My hon. Friend the Deputy Leader of the House, who is taking an active part in proceedings on the Bill, has noted the hon. Gentleman's point. To answer his first question—yes, there were consultations and discussions with the Scottish Parliament in relation to those provisions of the Bill.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Government made clear yesterday their desire to see the private sector grow, increase employment and rebuild the economy. My constituency has the world

[Sir Robert Smith]

centre of excellence for subsea engineering that supports the global oil and gas industry—an industry that needs to meet contracts at short notice anywhere in the world. Can the Leader of the House arrange for a ministerial statement to reassure investors in that industry that they will be able to continue to locate in this country, and still be able to move key skilled people in and out of this country at short notice?

Sir George Young: I understand the importance of that industry to those who work in my hon. Friend's constituency. I will raise with my hon. Friend the Minister for Immigration the question of the cap on non-EU work permits, if that is the specific issue that my hon. Friend the Member for West Aberdeenshire and Kincardine (Sir Robert Smith) is raising. There will be a further opportunity to raise the matter on the Floor of the House at Home Office questions on 18 November.

Owen Smith (Pontypridd) (Lab): May I return to the important constitutional matters in the Parliamentary Voting System and Constituencies Bill that there has not been time to debate on the Floor of the House? One of them relates to Wales. The main clauses relating to Wales were debated yesterday, but we did not get to the critical clause—clause 11, which relates specifically to the National Assembly—although the Secretary of State for Wales stated in a letter to all Welsh Members that that clause would be debated. Indeed, that was the very reason why she denied our request for a sitting of the Welsh Grand Committee. May I therefore ask the Leader of the House to make urgent representations to the Secretary of State for Wales on the pressing need to reinstate the Welsh Grand Committee, so that we can debate that critical matter for the people of Wales?

Sir George Young: I am grateful to the hon. Gentleman, but I cannot accede to that request. When I came into the Chamber to listen to the debate yesterday, Wales was being discussed most of the time, so the notion that it has not been possible to discuss matters relating to Wales simply does not stand up. There will be opportunities on Report to debate the parts of the Bill that were not reached in Committee—but I have to say that if hon. Members want to reach the necessary clauses they should exert some self-discipline, and not speak interminably on certain matters so that key parts of the Bill are not reached.

Mr David Ruffley (Bury St Edmunds) (Con): Mrs Jan Berry, the independent Reducing Bureaucracy in Policing Advocate, has recently reported that it takes up to 10 police officers to investigate a single burglary. Constituents of mine in Bury St Edmunds, and Stowmarket in particular, are fed up with antisocial behaviour and want to see more police on the streets, not behind their desks. Given that, will my right hon. Friend allow an urgent, and in my opinion long overdue, debate on slashing police red tape?

Sir George Young: I am grateful to my hon. Friend, and agree entirely with what he says. Jan Berry has indeed produced a report, and we are grateful to her for her work on identifying some of the root causes of the sort of red tape that stops officers getting out on the streets, where people want to see them. Police officers should be crime fighters, not form writers, and my right hon. Friend the Home Secretary is determined to reduce bureaucracy and improve efficiency, so that resources are not wasted and can reach the front line.

Natascha Engel (North East Derbyshire) (Lab): The Leader of the House announced earlier that the subject for debate in Westminster Hall selected by the Backbench Business Committee is the effect of the CSR on the Department for Work and Pensions. May I take this opportunity to remind right hon. and hon. Members that the next open public session for representations to the Backbench Business Committee is next Monday at 5 pm in Committee Room 15, when we will welcome bids for debates on the CSR and its impact on different Departments? May I also invite the Leader of the House to attend the sitting and witness that innovation for himself?

Sir George Young: I am grateful to the hon. Lady, and I will be attending her salon next Monday to see how this important innovation in how the House works operates in practice. She makes a serious point: the Chamber is not the only forum in which the Government can be held to account. There is also Westminster Hall, and there are the Select Committees. We need to put the debate on the CSR in that broader context, looking at all the opportunities to hold the Government to account.

Greg Mulholland (Leeds North West) (LD): On 1 October the Government reversed the planned changes to legislation on houses in multiple occupation without giving Members a chance to debate the changes. As 92% of respondents to last year's consultation said that there should be change, will the Leader of the House ensure that Members on both sides of the House have the chance to debate this important matter?

Sir George Young: I understand the hon. Gentleman's concern. My recollection, as a former Housing Minister, is that with HMOs over a certain size there is an obligation for the local authority to inspect and license them. With HMOs below that size, the local authority has all the powers it needs to intervene on a discretionary basis if it thinks that is right. However, I shall raise this issue with my right hon. Friend the Minister for Housing and Local Government and ask him to write to the hon. Gentleman.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Leader of the House will know of the interest in and passionate support for Sure Start children's centres that I and many other hon. Members have. Many of us feel betrayed by the Chancellor of the Exchequer's remarks yesterday that there will be savage cuts to those children's centres in this country. What does the Leader of the House have to say about that issue, and when can we debate it?

Sir George Young: I believe that my right hon. Friend the Chancellor said in the CSR statement that there would be a steady cash settlement for the Sure Start programme, and that there would not be any cash reductions.

Harriett Baldwin (West Worcestershire) (Con): Mr Speaker, you were kind enough to grant me a debate in Westminster Hall yesterday on the regulation of independent financial advisers, which was extremely

well attended by colleagues and generated an enormous amount of interest nationally. Will the Leader of the House consider holding a debate on the important topic of the regulation of the Financial Services Authority, and its performance against statutory objectives?

Sir George Young: I congratulate my hon. Friend on her well-attended debate yesterday. The Government will be introducing legislation to reform the FSA, as she knows, and that will provide the House with an opportunity to debate the issues she has touched on.

Paul Flynn (Newport West) (Lab): In the first five years of the Afghan war, only two British soldiers died in conflict. As a consequence of the incursion into Helmand province that figure is now 341. When can we debate the report of the Public Administration Committee that shows the appallingly trivial reasons why that decision was taken, which proves that the incursion into Helmand was a blunder on the scale of the charge of the Light Brigade, but with three times as many British deaths?

Sir George Young: Obviously, I regret any loss of life in Afghanistan. I believe that the House debated this issue, on a motion tabled by the Backbench Business Committee, in September. The new Government will respond formally in due course to the Select Committee report, which welcomed their aspirations to think more strategically through the National Security Council.

Mr David Burrowes (Enfield, Southgate) (Con): The killer of my constituent's sister is due to be released at weekends, despite having been sentenced barely 12 months ago to eight years for manslaughter. Can we have a debate to ensure that the Government's drive for greater honesty in sentencing covers the decisions of judges, the Parole Board and prison governors, and also encompasses offences of homicide, because the families of victims often feel let down, shut out and deceived by the criminal justice system?

Sir George Young: I am grateful to my hon. Friend, and my sympathies go first and foremost to the victim's family. As in all criminal cases, it is for the court to decide what sentence is appropriate—but the sentencing assessment currently being conducted by the Lord Chancellor is now considering the sentencing framework as a whole. In response to my hon. Friend's specific point, we intend to publish proposals for the reform of sentencing and criminal justice in the autumn, and I am sure that there will be an opportunity thereafter to debate them.

Fiona Mactaggart (Slough) (Lab): I am holding in my hand the most recent paper from the Library about the hours of the House. It claims that the House adjourns at 10 pm on Monday and Tuesday, at 7 pm on Wednesday and at 6 pm on Thursday. The right hon. Gentleman will have noticed that last night we did not move to the Adjournment debate until 3 minutes past 10. What is he going to do to make the hours of the House more predictable and family-friendly?

Sir George Young: One has to put the hon. Lady's request in the context of the earlier request for more time to debate the constitutional measure currently going through the House. The events of this week and last week are unusual, in that we are debating a constitutional Bill on the Floor of the House and we have allowed injury time for statements that we knew were going to take place. That will not be the normal pattern of sittings, and I hope that normal service will be resumed quite soon.

Mr David Nuttall (Bury North) (Con): Following yesterday's vote in the European Parliament to increase the costs of maternity leave, can we find time for a debate on the impact of the additional burdens being imposed on British businesses by the European Union?

Sir George Young: I am disappointed by the outcome of yesterday's vote in the European Parliament, but that is not the end of the process. The UK will work hard in Council to oppose the imposition of a requirement for fully paid maternity leave, and we expect other member states to join us. *[Interruption.]* If Opposition Members look at the details of the directive, they will see that it is entirely regressive, as the greatest benefits would be obtained by those earning the most.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): Can we have a debate on the so-called fairness of the CSR? May I draw the right hon. Gentleman's attention to early-day motion 862, which effectively calls on the top 10%—the wealthiest people in the country—to make a significant financial contribution to the country's deficit?

[That this House agrees with Professor Greg Philo, research director of Glasgow University Media Group, that the UK's current financial deficit could be significantly reduced if the richest 10 per cent. of Britain's citizens paid a one off tax of just 20 per cent. of their personal wealth, which would not have any immediate impact on their quality of life; notes that 74 per cent. of the British public polled recently agree with this proposal; further notes that if this were to happen there would be no need for drastic cuts to public services and armed forces, and there would be less need for major job losses; and therefore calls on the Government to explore how this objective could be achieved, either on a voluntary basis or by legislation if necessary.]

That money, which those people will never spend, would make a significant contribution to reducing the deficit and alleviating the anxieties of UK citizens.

Sir George Young: As the hon. Gentleman knows, I have announced when the CSR will be debated, and those points can be made then. If he looks at the tables in the back of the paper published yesterday—tables B4, B5 and B6—he will see that the top 10% are bearing a disproportionate part of the burden, and rightly so.

Andrew Griffiths (Burton) (Con): As has been highlighted by both the *Burton Mail* and the Federation of Small Businesses, small businesses in Burton and across the country are suffering as a result of larger firms unilaterally extending payment terms from 30 days to 60 days—or to 90 days in some cases. Given that those firms are struggling as a result of difficulties in accessing finance from the banks, can we have an urgent debate to see what we can do about that double whammy, and to support small businesses across the country?

Sir George Young: I am grateful to my hon. Friend. He will know that the Government are taking steps to help small businesses by, for example, requiring that a certain percentage of contracts be put out to be bid for by small and medium-sized businesses. On whether there should be a statutory requirement to settle a bill within a finite number of days, the House has discussed this issue and has so far resisted legislating on it. However, I shall certainly draw his concerns to the attention of my colleagues at the Department for Business, Innovation and Skills to see whether this is an issue that we might reconsider.

Nic Dakin (Scunthorpe) (Lab): Yesterday the coalition Government announced huge projected increases in unemployment. How high will unemployment have to rise before the Government change their economic strategy? Can we have a statement please?

Sir George Young: I am not aware of any forecast increases in unemployment. If the hon. Gentleman looks at the figures that the Office for Budget Responsibility published after we made clear our intention to tackle the deficit and take £83 billion out, he will see that for every year in the coming four years, it predicted a fall in unemployment and a rise in employment. In the second quarter of this year about 300,000 jobs were created, so we need to put all that in a slightly different context.

Mr Alan Reid (Argyll and Bute) (LD): On Second Reading of the Parliamentary Voting System and Constituencies Bill there was not time for every hon. Member who wished to contribute to speak—and that includes me. During last night's Committee deliberations the guillotine fell before we got to the debate on the contrast between the Government's benchmarking of constituencies except for the Western Isles—or Na h-Eileanan an Iar—and the situation for my constituency. The Western Isles constituency has only three islands, whereas mine has 13, which can be reached only by sea or air. The Western Isles has an electorate of 22,000, whereas Argyll and Bute has 67,000 and has double the land area of the Western Isles. Can we have a debate on that important issue on Report?

Sir George Young: I am sorry that because of the verbosity of certain Members we did not reach as many stages of the Bill as we would have liked. However, I agree with the hon. Gentleman that those issues are important, and I hope that, within the constraints that he will understand, it will be possible to debate them on Report.

Mike Gapes (Ilford South) (Lab/Co-op): Bearing in mind that the Foreign Secretary hosted a visit by the Sri Lankan Foreign Minister this week, may we have an early debate on the situation in Sri Lanka so that Members can ask whether robust statements were made about that island regarding the continuing detention of people, the human rights position, the freedom of the media, and the imprisonment of people who stood in elections?

Sir George Young: I am grateful to the hon. Gentleman for that question, and I will pass his comments on to my right hon. Friend the Foreign Secretary. In addition, on 16 November he will have an opportunity to put those points to Foreign Office Ministers when they are at the Dispatch Box.

Philip Davies (Shipley) (Con): Will my right hon. Friend find time for a debate on the future of the politically correct Equality and Human Rights Commission? In a recent parliamentary answer to me, it emerged that in the past four years the commission has had 25 complaints from its own staff about sex discrimination, race discrimination or disability discrimination. Is it not ludicrous that it is given so much public money to stamp out discrimination across the workplace when it has such a bad record itself, and is it not time that this ridiculous body was abolished?

Sir George Young: As always, I welcome my hon. Friend's robust comments. We will shortly introduce a public bodies Bill following the statement that my right hon. Friend the Minister for the Cabinet Office made last Thursday. If my hon. Friend catches Mr Speaker's eye during the Second Reading of that Bill, he may find an opportunity to develop at greater length the points that he has made.

Kevin Brennan (Cardiff West) (Lab): The Leader of the House made the very welcome statement that the statutory instruments will be laid before the Report stage of the Parliamentary Voting System and Constituencies Bill, but he left two things out. First, can he confirm that he will be using the affirmative procedure for those statutory instruments? Secondly, given that they are statutory instruments consequential to a constitutional Bill about elections, will he be taking them here on the Floor of the House?

Sir George Young: I should like to reflect on the points that the hon. Gentleman has made and write to him.

Jeremy Lefroy (Stafford) (Con): Earlier this year, the Chancellor made a welcome announcement about proposals to look into growth hubs. Staffordshire university in my constituency, and Keele university in the constituency of the hon. Member for Newcastle-under-Lyme (Paul Farrelly), are both looking at the possibility of forming such a growth hub. These are extremely important in enabling new, high-growth-potential businesses to get going, so may we have debate on the subject?

Sir George Young: I welcome my hon. Friend's interest in this, and I agree that it is important that we have a debate. He could apply for a debate in Westminster Hall or an Adjournment debate, or he could come along with me to the Backbench Business Committee on Monday and make a bid for a debate in Back-Bench time.

Thomas Docherty (Dunfermline and West Fife) (Lab): First, I thank the Leader of the House for his assistance in seeking answers from the Ministry of Defence on the issue of nuclear test veterans.

May I draw the Leader of the House's attention to column 638W of Tuesday's *Hansard*, where the Home Office confirmed that almost 5,000 children hold shotgun licences, including 26 10-year-olds, 72 11-year-olds and 134 12-year-olds? Will he ask the Home Secretary to

contact the Association of the Chief Police Officers to find out why there are so many licences and whether the rules should be checked again, and then come to the House to make a statement?

Sir George Young: I am grateful to the hon. Gentleman and commend his energy in finding these important pieces of information. The Government are committed to a debate on our gun laws following the tragic shootings in Cumbria in July. That debate will be an opportunity to consider all aspects of gun legislation, including the age limits that he touched on.

Robert Halfon (Harlow) (Con): Will the Leader of the House find time for a debate on the kite mark standard for British car garages, which I raised in my early-day motion 376?

[That this House believes that the British Standards Institution (BSI) Kitemark for Garage Services is a good step forward in supplying formal recognition of the good workmanship of some garages and their value for money; notes research which shows that 58 per cent. of people who have had a car serviced in a garage before are not totally confident that the work they have paid for has been carried out; further notes that the BSI is an independent body that owns and operates the Kitemark scheme, and has done much to improve consumer confidence in the quality of a good or service; and therefore calls on the Government to support the BSI Kitemark for Garage Services as a demonstration of compliance to a known national standard.]

Six out of 10 people who have their car serviced in a garage are not confident that the work has been carried out properly. Does my right hon. Friend agree that motorists should be assured of getting the proper service they deserve?

Sir George Young: Of course motorists are entitled to a high-quality service. I should like to raise with the Secretary of State for Transport the proposition that my hon. Friend has put forward and get a response. He may have an opportunity to develop his argument at greater length in an Adjournment debate or in Westminster Hall.

Derek Twigg (Halton) (Lab): My question is about the continuing disastrous handling of the Building Schools for the Future programme and the savage cuts to it. When I asked the Secretary of State for Education a very simple question—how much money was allocated to two schools in my constituency, The Grange and Wade Deacon, which had been given the go-ahead and which the Government had made great play about—I got a holding answer suggesting that he does not have a clue about what money is available for those schools. Is that not a disgraceful situation? Can the Leader of the House arrange for an urgent statement to be made to this House by the Secretary of State?

Sir George Young: I am grateful to the hon. Gentleman for his questions. If there has been any discourtesy, I apologise for that. I will contact the appropriate Department and see whether we can expedite an answer to his specific question about the costs in those two schools.

Julian Smith (Skipton and Ripon) (Con): Job creation in British small businesses is vital to the economic recovery. As well as a debate on European Union employment legislation, can we have a debate on the coalition's proposals for further employment legislation in the coming months?

Sir George Young: I agree with my hon. Friend that that is an important issue. It may be possible for him to raise those important issues in the debate on the CSR that I have announced and get a response from my hon. Friends.

Mr Andy Slaughter (Hammersmith) (Lab): The right hon. Gentleman, who is a former Housing Minister, may have noticed these comments by the chief executive of Shelter on the CSR:

"The government is denying responsibility for an entire generation's ability to access affordable housing".

Given the near-market rents for new social tenants, the lack of security, the 16% cut in capital funding and the cuts in housing benefit, when can we have a full debate on the Floor of the House on housing for a future generation, for which this Government are the first to abdicate responsibility?

Sir George Young: We have just had Communities and Local Government questions, when the Housing Minister said that during the 13 years of Labour Government there was a net gain of 14,000 affordable homes over 13 years. If one sets that against the 150,000 affordable homes which, following the CSR, we hope to provide over the next five years, that puts a slightly different gloss on the hon. Gentleman's point.

James Morris (Halesowen and Rowley Regis) (Con): The Leader of the House has announced a full day's debate on the comprehensive spending review. I am not sure whether he will be in a position to do this, but can he clarify who will speak on behalf of the Government, as that might be helpful for Members preparing for the debate? Who else, in an ideal world, would he like to see speaking in that debate?

Sir George Young: My right hon. Friend the Chief Secretary will open the debate and my hon. Friend the Economic Secretary will respond. Who else takes part is a matter for Mr Speaker. However, I think it would be helpful if the former Prime Minister were able to come along and explain what steps he would have taken to address the deficit that he has left us with.

Geraint Davies (Swansea West) (Lab/Co-op): On the constituencies and boundaries Bill—the Parliamentary Voting and Constituencies Bill—the Leader of the House mentioned the importance of a variety of means of scrutiny. First, will he ensure that the recommendations of the Welsh Affairs Committee, which are to be published next week, will be taken seriously by him in his deliberations and by the Government? Secondly, will he confirm that the SIs will be dealt with before Report? Finally, will he ensure that the Welsh Assembly is properly consulted?

Mr Speaker: Order. In future, Members should avoid asking three questions. It is a bit cheeky and rather unfair on colleagues.

Sir George Young: I will choose to answer one of them. The Welsh Affairs Committee report will be available to the Government before the Report stage, and it will therefore be possible to take it on board before we reach the final stages of the Bill.

David Tredinnick (Bosworth) (Con): When the House introduced experimental sitting hours in 2003-05, whereby we sat from 11.30 am to 7 pm on a Wednesday—as we do now—and also on a Tuesday, it was never intended that the House should sit in the morning and then through the evening until 10 o'clock, as we did yesterday. Will the Leader of the House consider reintroducing Tuesday morning sittings? Is he aware that we have sat later hours in this Parliament than we did on any night in the 2005 Parliament?

Sir George Young: I am grateful to my hon. Friend, who raises the broad issue of the parliamentary calendar and whether we should change Tuesday hours back to ending at 7 o'clock instead of 10 o'clock. The Procedure Committee will examine the sitting hours and the whole parliamentary calendar, and following its inquiry I understand that it will put a range of options before the House. I agree that it is right that the House revisit the issue, because there has been a substantial change in membership since we last visited it. There will be an opportunity to look more radically at how we operate.

On my hon. Friend's specific question, as I said in response to the hon. Member for Slough (Fiona Mactaggart), the last two weeks have been unusual, partly because this Government want to allow adequate time to scrutinise Bills, particularly important constitutional measures. However, we do not envisage the regime that we have had for the past two weeks being the normal pattern.

Valerie Vaz (Walsall South) (Lab): One of my constituents is serving a tariff of five years, which will come to an end in December. He has been told that he will not be released unless he undertakes a number of courses. He has undertaken 25 so far. May we have an urgent debate about why those who have paid their debt to society are further punished due to a lack of funds?

Sir George Young: I understand the hon. Lady's concern on behalf of her constituent. If she would be good enough to give me the details, I will raise them with the Lord Chancellor and see whether we can get a direct response.

Mr Peter Bone (Wellingborough) (Con): This new Government have shown themselves willing to put themselves up for scrutiny, especially from Members on their own side of the House—the Opposition seem to have given up. May we have a statement from him on whether we could go slightly further and look into having confirmation hearings for new Cabinet Ministers?

Sir George Young: My hon. Friend introduced a ten-minute rule Bill on Tuesday proposing the abolition of the Whips Office. I am not sure that it was an intelligent career move. The notion of confirmatory hearings for Cabinet Ministers is a novel constitutional innovation, because responsibility currently rests with the Prime Minister. Whether he would want to share it with my hon. Friend and others is a matter for him, so on this particular issue my hon. Friend will just have to hold his breath.

Clive Efford (Eltham) (Lab): The Leader of the House must understand that the comprehensive spending review is unprecedented. It will make 500,000 public sector workers unemployed, cut investment in housing by half and make families pay more towards cutting the deficit than the bankers who created the problem in the first place and who still pay themselves excessive bonuses. We need extra time to scrutinise all that, and Opposition Back Benchers need to be able to hold the Government to account for what they are doing right across the public sector as a result of the comprehensive spending review. Comparing the situation with what the previous Government did will not wash. We need more time to discuss the CSR, in Government time.

Sir George Young: The hon. Gentleman should read what the Wright Committee report said about debates on spending reviews. It made it absolutely clear that they were a matter for the House.

I simply do not agree with what the hon. Gentleman says about who will pay for the CSR. For the first time, we have produced and published distributional analyses of the impact of the spending review. They show clearly that those with the highest incomes will shoulder the greatest burden, and rightly so. It is not the case that families with children will pay more than twice the amount that banks are being asked to contribute. The child tax credit provision introduced yesterday will protect the least well-off families. I do not accept the hon. Gentleman's premise, but he will have an opportunity to debate the matter in the time that we have made available to debate the CSR, which strictly speaking we need not have. My right hon. and hon. Friends will rebut all his propositions.

Diana R. Johnson (Kingston upon Hull North) (Lab): The Leader of the House will know that in 2007 Hull was one of the areas that were very badly flooded. Ever since, it has been very difficult for my constituents to get reasonably priced insurance, or indeed insurance at all. In the light of the cuts that were made yesterday to the available flooding protection money, may we have a debate in Government time to discuss the direct impact on my constituents, who will now have sky-high insurance premiums, or whether insurance will be withdrawn from the city of Hull altogether?

Sir George Young: I understand the problem of those who find it difficult to get insurance because of either past floods or the prospect of floods. There will be an opportunity on 4 November to raise the issue with Department for Environment, Food and Rural Affairs Ministers, but in the meantime I will write to my right hon. Friend the Secretary of State to share the hon. Lady's concerns and see whether we can take any measures in consultation with the Association of British Insurers and others to ensure that householders get the insurance they need at an affordable price.

Mr Chuka Umunna (Streatham) (Lab): International research has been cited in *The Observer* showing that black people are 26 times more likely to be stopped and searched in England and Wales. The researchers said that that was the most glaring example of racial profiling that they had seen. That figure is shocking, and I say to the hon. Member for Shipley (Philip Davies), who appears no longer to be in his place, that it is precisely why we should retain the Equality and Human Rights Commission. May we have an urgent debate on the matter, to discern whether the police in England and Wales are using their powers of stop and search appropriately?

Sir George Young: I think those powers were extended to the police by the previous Administration. We are not abolishing the EHRC, and we are against any racial profiling when it comes to stop and search. I will raise the issue with my right hon. Friend the Home Secretary and ask her to respond.

Mr Speaker: I am grateful to the Leader of the House and to colleagues for their economy, which has enabled everyone to get in within a pretty reasonable time frame.

Points of Order

12.15 pm

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. I was not here for the Leader of the House's business statement, but I gather that the issue was raised of the statutory instruments that will have to be laid in relation to combining polls in Northern Ireland, Wales and Scotland. They have not yet been laid, but after they are, amendments will have to be made to the Parliament Voting System and Constituencies Bill, which will complete its Committee stage on Monday.

The Leader of the House has not yet said whether those statutory instruments will be laid and considered before Report. Otherwise, we would not be able to debate all the processes for elections in this House, and they would have to be debated in the other House. Is there any way in which we can ensure that we have clarity? As the junior Minister said in the debate the other day, it would be wholly inappropriate if matters affecting elections were decided not in this House but in the other, unelected Chamber.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. He is seeking light to be shed on the matter. It is possible that the Leader of the House might wish to assist, but he is under no obligation to do so. It appears that he does not wish to do so at this stage. However, the hon. Member for Rhondda (Chris Bryant) is nothing if not an assiduous and conscientious parliamentarian, and he has got his point across with some force. Although the Leader of the House has not responded to it, I think I can confidently say that he has heard it.

Derek Twigg (Halton) (Lab): On a point of order, Mr Speaker. I refer to column 990 of this morning's *Hansard*. You may recall that yesterday, the Chancellor made great play of his support for the Mersey Gateway bridge, which would be in my constituency. I welcome that, but I asked him a very simple question about what funding the Government had allocated. He said that he did not know, but that he would come back to me "this afternoon". He later said that he would do so "later today". As of a few minutes ago, I have heard nothing from the Chancellor's office even though my office has been in touch with his. May I ask for your advice? Is that not a discourtesy not just to me but to the House? Opposition Members are concerned about the smoke and mirrors of the Government announcing schemes and cutting funding at the same time. There is a very simple way for the Government to deal with that—they should tell us what funding there is.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order, which I dare say he will share with his local media. I entirely understand his frustration and disappointment, but there are other ways in which he can pursue the matter. He may choose, of course, to provide the extract of his point of order and my response to it to the Treasury, to hasten the very reply that he so eagerly seeks. I do not think I can offer him any further encouragement than that, but he has been in this place for quite a long time, and I have a feeling that questions will be forthcoming if the reply that he wants is not.

Thomas Docherty (Dunfermline and West Fife) (Lab): On a point of order, Mr Speaker. Could you clarify for me, as a new Member, whether a Member who seeks to ask a parliamentary question and has registered a shareholding in the industry to which they are referring should, when they stand, make that share interest clear to the House?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. The answer to his question is that it is up to the Member to decide whether to do so in the way that he favours. Members certainly have a responsibility to declare their interests in the Register of Members' Financial Interests. Some Members, on speaking in a debate to which they might think those interests are relevant, do choose to announce them, usually at the start of a speech, but as far as I am aware there is no absolute obligation to do so. I have a feeling that the hon. Gentleman will probably wish to pursue the matter with his usual intensity.

BILLS PRESENTED

Equality and Diversity (Reform) Bill

Presentation and First Reading (Standing Order No. 57)

Philip Davies, supported by Mr David Davis, Mr Peter Lilley, Mr John Whittingdale, Mr Greg Knight, Mr Graham Brady, Mr Christopher Chope, Mr David Nuttall and Mr Philip Hollobone, presented a Bill to prohibit the use of affirmative and positive action in recruitment and appointment processes; to repeal the Sex Discrimination (Election Candidates) Act 2002; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 21 October 2011, and to be printed (Bill 82).

Further and Higher Education (Access) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall and Priti Patel, presented a Bill to make provision to require all institutions of further and higher education in receipt of public funds to allocate places on merit; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 4 March 2011, and to be printed (Bill 83).

Reporting of Injuries, Diseases and Dangerous Occurrences Regulation Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall and Priti Patel, presented a Bill to reduce the duties on employers to report matters under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.

Bill read the First time; to be read a Second time on Friday 17 December 2011, and to be printed (Bill 84).

Compensation (Limitation) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall and Priti Patel, presented a Bill to prevent conditional fee agreement success fees and after the event insurance premiums being recoverable from the losing party in civil litigation; to facilitate damages-based agreements for contingency fees in respect of successful litigants; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 18 March 2011, and to be printed (Bill 85).

Local Government Ombudsman (Amendment) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall, Mr Greg Knight and Priti Patel, presented a Bill to extend the powers of the Local Government Ombudsman to provide redress against local authorities which unreasonably ban events on the grounds of health and safety.

Bill read the First time; to be read a Second time on Friday 18 March 2011, and to be printed (Bill 86).

Low Hazard Workplaces (Risk Assessment Exemption) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall and Priti Patel, presented a Bill to exempt employers from the requirement to produce a written risk assessment in respect of low hazard workplaces and the premises of those working from their own home with low hazard equipment.

Bill read the First time; to be read a Second time on Friday 24 June 2011, and to be printed (Bill 87).

Self-employment (Risk Assessment Exemption) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall and Priti Patel, presented a Bill to exempt self-employed persons engaged in low hazard activity from the requirement to produce a written risk assessment.

Bill read the First time; to be read a Second time on Friday 1 July 2011, and to be printed (Bill 88).

Health and Safety Consultants (Qualifications) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall and Priti Patel, presented a Bill to introduce qualification requirements for health and safety consultants; to provide accreditation for such consultants; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 8 July 2011, and to be printed (Bill 89).

Criminal Records (Public Access) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall, Mr Greg Knight and Priti Patel, presented a Bill to facilitate access by members of the public to the registers of the Criminal Records Office.

Bill read the First time; to be read a Second time on Friday 13 May 2011, and to be printed (Bill 90).

Activity Centres (Young Persons' Safety) (Amendment) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall, Mr Greg Knight and Priti Patel, presented a Bill to abolish the Adventure Activities Licensing Authority; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 20 May 2011, and to be printed (Bill 91).

Health and Safety at Work (Amendment) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall and Priti Patel, presented a Bill to amend the Health and Safety at Work etc Act 1974 in respect of systems of risk assessment; to make provision for separate requirements for play, leisure and work-based activities; to introduce simplified risk assessments for schools; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 15 July 2011, and to be printed (Bill 92).

Sale of Park Homes Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall, Mr Greg Knight and Priti Patel, presented a Bill to facilitate the sale of park homes by residential owners; to restrict the ability of site owners to interfere in such sales; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 1 April 2011, and to be printed (Bill 93).

Volunteering Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall and Priti Patel, presented a Bill to make provision to promote volunteering; to enable potential volunteers to obtain a fit and proper person certificate for their activities; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 10 June 2011, and to be printed (Bill 94).

Road Traffic Accident (Personal Injury) (Amendment) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall, Mr Greg Knight and Priti Patel, presented a Bill to raise to £25,000 the upper limit for awards for road traffic accident personal injury claims introduced under the simplified claims procedure.

Bill read the First time; to be read a Second time on Friday 11 March 2011, and to be printed (Bill 95).

National Health Service Redress (Amendment) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Christopher Chope, supported by Mr Peter Bone, Philip Davies, Mr Philip Hollobone, Mr David Nuttall and Priti Patel, presented a Bill to amend the National Health Service Redress Act 2006 to facilitate faster resolution of claims and reduce costs; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 9 September 2011, and to be printed (Bill 96).

Mr Speaker: We are grateful, and the hon. Member for Christchurch (Mr Chope) will prove to be a very busy bee.

Local Government Bill [*Lords*]

Second Reading

12.23 pm

The Secretary of State for Communities and Local Government (Mr Eric Pickles): I beg to move, That the Bill be now read a Second time.

It was not possible in Question Time to address the right hon. Member for Don Valley (Caroline Flint) directly, and I want formally to say how welcome she is to her appointment. I am sure that she will be a formidable opponent at the Dispatch Box. I noted her expressions of willingness to work with us on several issues. As we share similar views on several matters, I expect that to happen. However, if it does not work out, we will always have Paris. I just leave that hanging in the air.

The Bill simply fulfils the commitment in the coalition agreement that

"we will stop the restructuring of councils in Norfolk, Suffolk and Devon."

It is a short Bill—indeed, the explanatory notes, the European convention on human rights certification, the contents and the front page are longer than the Bill, which has only one substantive clause. I doubt whether all the Bills that my hon. Friend the Member for Christchurch (Mr Chope) moved will be as short as this Bill. However, at last we know exactly what the future holds for people living in the aforementioned counties. In fact, since the Bill is so obviously a common-sense and worthwhile measure, it is worth reminding the House why it is needed.

It is quite a saga, worthy of Jarndyce *v.* Jarndyce in Charles Dickens's "Bleak House". Through the magic of Mr Dickens's words, that case has become a byword for an interminable and pointless proceeding. So we find ourselves with the Bill. With judicial reviews, a league of lobbyists and dubious challenges on hybridity, the measure ran the risk of becoming, to misquote Dickens, "a scarecrow of a"

Bill, which would,

"in course of time, become so complicated that no man alive knows what it means."

So let us remind ourselves of how we got into that mess.

In the dying days of the Labour Government, the then Secretary of State chose to defy common sense and overturn the decision of his Labour predecessor. He decided to ignore independent advice and unilaterally impose unitary councils in the areas that we are considering. He has moved to pastures new, leaving us with an unwanted and worthless legacy. Why was that Labour civil war necessary? Why was Labour Secretary of State pitched against Labour Secretary of State? No one really knows. In the former Secretary of State's absence, I suppose that I will do my best to guess and help out.

Was the reason to save money? No. There were sketchy and dubious estimates that eventually the decision might save £6 million a year, but only after spending £40 million on the costs of reorganisation. A critique by Professors Michael Chisholm and Steve Leach, noted local government experts, stated:

"The Government was economical with the truth about LGR"—

local government reorganisation—

"selective and inconsistent in its use of evidence, with the result that misleading impressions have been conveyed to local authorities, the public and Parliament."

Perhaps that was a harsh judgment, but it is difficult to argue against it. The professors also argued that

"there are cogent reasons for thinking that minsters are exaggerating the financial benefits of unitary councils".

If the reason was not money, perhaps it was popular fervour. Perhaps the people of Norfolk, Suffolk and Devon were crying out, "What do we want?" "A unitary council!" "When do we want it?" "Now!" Sadly, we were spared that surreal spectacle. In the most recent consultation, more than half the responses in Norfolk and 85% of those in Devon showed that the people did not want any change. That is not surprising; they just wanted the councils to get on with more important matters.

Perhaps the reason was that the councils could work more effectively if they became unitaries. No. In fact, the councils did not even fulfil the Labour Government's own criteria for becoming unitaries. The Labour Government's assessment was that the proposal in Exeter was unaffordable, and that the proposal in Norwich was both unaffordable and poor value for money. Yet the former Secretary of State blithely disregarded that. Instead, he cited his own deep and mysterious "compelling reasons" why those councils should become unitaries, which are perhaps the same compelling reasons why a suicide of lemmings feel the need to speed to the Scandinavian seaside. However, those reasons were not sufficiently "compelling" to persuade his own civil servants.

The former permanent secretary of the Department for Communities and Local Government, as chief accounting officer, wrote to my predecessor warning that the change

"would impact adversely on the financial position of the public sector."

He went on to say that

"the evidence for such gains is mixed and representations that you have received provide no evidence to quantify such benefits."

He further remarked that

"there is every likelihood of such judicial review proceedings being commenced"

and asked, as is normal in such circumstances, for written instructions to implement the proposals.

The reasons were rejected in the other place, where a motion of regret expressing strong concerns was passed overwhelmingly. All that was ultimately overturned by the High Court, which found on 5 July that the decision was unlawful, because the former Secretary of State failed to consult on departing from his Government's own criteria. I suppose that we should forgive him for getting involved in judicial reviews—it can happen to the best of us. As a result of the court case, the structural change orders were quashed, and elections have since been held for seats in Exeter and Norwich, where contests were deferred by the orders.

Hon. Members, being reasonable people, may well ask why we need this Bill at all. I have some "compelling reasons" of my own. Although the High Court has struck down the orders that would implement the proposals, the proposals themselves still theoretically exist. They are zombie proposals that have refused to lie down and die. Anyone who follows horror movies knows that the only way to kill a zombie is to sever its head from its body. I am here today, shovel in hand, ready to perform,

with the help of the House, that very task. We need to remove the possibility of anyone wasting any more time on those near-dead orders. We need to release councillors in Norfolk, Devon and Suffolk from the legal limbo in which they are trapped, so that they can get on with what really matters: protecting the front line and providing the best possible local services.

This whole story of woe illustrates the consequences of the previous Government's command-and-control approach to local government. It mattered not what local people thought or how much it cost—they simply pressed on regardless. In contrast, this Government genuinely believe that councils work best when they are freed from the interference and micro-management that were the hallmark of the previous Administration.

The measures were the last, dying attempt of a lost, dying Government to change the structure of local government. In many ways, that was the culmination of the way in which this House has traditionally dealt with local government: it tries to change structure first, and then to allow function to follow. I am much more interested in changing the function of local government. If it is necessary in future to catch up on structure, so be it, but I do not envisage that happening for some considerable time.

Mr Ben Bradshaw (Exeter) (Lab): Will the Secretary of State clarify for the House his understanding of the implications of the Bill? Will it prevent unitary applications coming forward only from the three counties he has mentioned, or will it prevent any applications at all?

Mr Pickles: I am sure the right hon. Gentleman is an assiduous reader of the specialist press. I recall seeing an article in the *Municipal Journal* that said that I had in the top left-hand drawer of my office a pearl-handled revolver with which to shoot the first person to suggest a restructuring of local government. The last time I checked, the revolver was fully loaded and waiting for such a person.

Mr Bradshaw: The Secretary of State has not answered my question on the impact of the Bill.

Mr Pickles: I am sorry if levity got in the way of my answer, but I shall give the same basic answer now. The Bill finishes the process I outlined. It would be theoretically possible to start the process again, were someone brave enough to come through my door to suggest that we throw £40 million of council tax payers' money away. The Bill stops the process in respect of the counties I mentioned, but it kills only one zombie—it does not mean that another zombie will not turn up in due course.

We want to make local authorities genuine leaders of their local communities, with a real say in the issues that matter to local people, such as housing, planning and the local economy, and even the NHS. Instead of making councils turn themselves inside out in response to the whims of a Secretary of State, we are giving them the freedom, the power and the responsibility to decide for themselves what they need to do.

Of course, it is only common sense that through closer collaboration and more joint working, councils can not only save money, but improve the services on offer to local people. They do not have to become unitary to do that, or to spend £40 million getting there, or to embark on a lengthy, expensive and disruptive centrally imposed process. Most councils are ready to come together and already do so by sharing chief executives, pooling back-office functions or even departments such as planning, and conducting joint procurement. I welcome that, and we know that it will make a huge difference. The Local Government Association has said that joining up services could save around £5 billion a year.

Councils are working to eliminate every trace of waste and re-examining how they work and the way in which every service is delivered. They are concentrating on becoming more effective and more productive than ever before, but they are doing so without the Secretary of State breathing down their necks, telling them exactly what to do, when to do it, and most corrosively of all, how to do it. They know that there are more effective ways to go about that than putting themselves through the lengthy and expensive rigmarole of restructuring. People want to see their councils saving money by concentrating on what really matters to them. I do not think there are many council tax payers who would put restructuring at the top of their wish list.

The proposals for local government restructuring were nothing but a wasteful and unnecessary distraction in these straitened times. The £40 million that the process would have cost is the equivalent of the entire residential care budget in Devon for a year. The money, time and effort that might have been invested in shuffling the deckchairs can now be invested in facing up to the challenges of the future. I commend the Bill to the House.

12.38 pm

Caroline Flint (Don Valley) (Lab): I am looking forward to a number of exchanges with the Secretary of State across the Dispatch Box in the months—but, hopefully, not too many years—ahead. Just for the record, the right hon. Gentleman and I did attend a conference in Paris, but I am pleased to say that Mrs Pickles was there, as was my husband.

Characteristically, the Secretary of State made an attempt at an entertaining speech, but in doing so, he completely ignored the views of people in Exeter and Norwich and their desire for true localism in their communities. He exercised a typically liberal relationship with some of the facts. Following yesterday's announcement of devastating cuts to local councils, the future of local Government is on all our minds. As we highlighted during Question Time, the cuts are much worse than those faced across the board in Whitehall Departments and far deeper than is necessary to deal with the deficit—and they are cuts of his choosing, not of necessity.

Let me make it clear at the outset that Labour believes in the benefits of unitary authorities, and we support the aspirations of Norwich and Exeter to achieve unitary status. Each application must be considered on its merits and on a case-by-case basis, but in principle we believe that strong local leadership and clear accountability are harder to achieve where local government has a two-tier structure. The Conservatives used to believe that too. The last time that they were in power they created 100 new unitary authorities.

The Liberal Democrats used to believe it as well, but—like their pledge not to increase VAT and their six-point plan to scrap tuition fees—their commitment

[Caroline Flint]

to unitary authorities in Norwich and Exeter has been thrown on to the scrap heap of abandoned promises. Their policy paper, approved at Liberal Democrat party conference, states:

"Having several tiers of government can not only lead to confusion over which tier is responsible for what, but can also mean that some councils seem very remote from the communities they serve. The Liberal Democrats therefore believe that there should be a single tier of local government."

Let me deal with a few of the arguments advanced by the Secretary of State. He says that the decision to set up unitary authorities in Norwich and Exeter does not represent value for money. He says that it will cost £40 million. That is simply not true. What he fails to mention is that the very same document from which he got those figures—the impact assessment, produced by his Department—also shows that in the same period savings of £39.4 million would be made; and in the years after that, annual savings of £6.5 million would be made. Now, if the Secretary of State does not understand the difference between up-front costs and ongoing savings, I fear that we really are in trouble in the stormy waters ahead. As his Minister in the other place, Baroness Hanham, was forced to admit, if Norwich and Exeter were given unitary status

"there ultimately would be savings".

That is the reality.

Granting Norwich and Exeter unitary status would save the taxpayer money. The Government's position is voluntarily to forgo the opportunity for Norwich and Exeter to save the taxpayer £6.5 million a year. The Secretary of State is within his rights to reject the application—that is his prerogative—but let him at least do it on the basis of the facts.

As for the letter of instruction from the permanent secretary, let me say this. In the end, officials are there to advise. They do not take decisions and are not accountable to Parliament. Ministers must make decisions and I believe that the previous Secretary of State was right to take the decision that he did. What the permanent secretary said was that creating unitary authorities to include the entire counties of Devon and Norfolk would create greater savings. The only problem with the proposal, however, was that it was never a viable option. The only people who appear to have supported the proposal were the permanent secretary and the Boundary Commission. It had no local support whatever, either from the cities of Norwich and Exeter or indeed from the counties of Norfolk and Devon, and it would not have met the criteria laid out by the Secretary of State.

What the permanent secretary did not say, as the Secretary of State suggested, was that the existing arrangements offered better value for money than creating unitary authorities in Norwich and Exeter. How could the right hon. Gentleman say that? As we have seen, the impact assessment produced by the Department shows clearly that after the initial up-front costs—amounting to £600,000—there would be year-on-year savings of £6.5 million. The worst value-for-money option—the most expensive option—is the current arrangement, but that is the one for which the Secretary of State has opted. So much for value for money.

Let me also deal with the points made in the High Court ruling. Of course, we accept the judgment. However, this is a political issue and it is right that it should be hammered out and determined by Parliament. The provisions relating to Exeter and Norwich were not imposed by anyone. They were debated in Parliament for more than seven hours, voted on, and approved in both Houses of Parliament. In this House and in the other place, a clear majority supported creating unitary authorities in Norwich and Exeter.

Let me remind the House that Mr Justice Ouseley made no criticism whatever on the merits of creating unitary authorities in Norwich and Exeter. He was absolutely clear that the Secretary of State was entitled to make a decision on the matter, and that it was perfectly reasonable for him to take the prevailing economic circumstances into account. He simply said that the consultation process was not adequate. The Secretary of State was not able to consult more fully than he did because of the length of time that it took for the proposals to reach him. Owing to a series of judicial reviews and legal challenges, the proposals were twice postponed and took a year longer than expected to reach the Secretary of State, which substantially reduced his ability to consult more extensively.

Mr Justice Ouseley was at pains to emphasise that his ruling in no way prevented the Secretary of State from bringing forward the proposals again after a short period of consultation, but this Secretary of State has chosen not to do so. He has chosen to deny the people of Norwich and Exeter the chance to run their own cities. The fundamental point here is what is right for Norwich and Exeter.

George Hollingbery (Meon Valley) (Con): Can the right hon. Lady remind me who set up the rules and regulations under which this process made its way to the judicial review, and can she remind me of the outcome of that review in terms of the process followed by the previous Government?

Caroline Flint: The criteria were set up by the Labour Government as guidelines to inform the Secretary of State when making decisions about this case. Every proposal, as I have said, has to be dealt with on a case-by-case basis, taking into account the circumstances when the applications are made and reaching the point of final decision.

George Hollingbery *rose—*

Caroline Flint: I wish to make some progress and I hope to deal further with some of the points that the hon. Gentleman has raised. I will be happy to give way to him again later.

The Government's assessment of the original bids in respect of Exeter and Norwich found that they satisfied all the criteria except for the payback period for the transition costs, which was estimated to be six years rather than five. However, given the small transition costs owing to the year-on-year savings—and given the economic circumstances at the time and the overriding priority of supporting economic growth and creating jobs—we believed that there were compelling reasons to create unitary authorities in Norwich and Exeter.

Brandon Lewis (Great Yarmouth) (Con): The right hon. Lady has mentioned what she called the small cost of the transition and the savings of £6.5 million to be

made. However, those savings are for 2015-16 onwards. Was it the previous Government's view that the massive upheaval and uncertainty for those counties and what is actually a large sum of money—even if she called it a small amount—was worth it in the hope that, in five years' time, those savings would be delivered? Given how much the economy has changed in the past five years, the chances of seeing those savings seem slim.

Caroline Flint: As I have outlined, and as is clear from the impact assessment provided by the Department, the most expensive option is the status quo. I am sure that my hon. Friends will make the point that in both Exeter and Norwich the local authorities are the driving engine for jobs and economic progress in their regions—*[Interruption.]* Yes they are, and therefore the opportunity to enhance Norwich and Exeter as cities of importance and expand their already good track record—as the people and businesses in the areas wanted—has been lost, because the Secretary of State does not recognise the truth of the situation.

The criteria exist to help the Secretary of State decide on the merits of an application. No set of criteria, however exhaustive, can make a decision—a judgment always has to be made. The point that this Secretary of State does not seem able to grasp is that, in essence, what we are debating is what is right for the people of Norwich and Exeter, what will deliver the best services for them, and what they want for their cities. Time and again, the Secretary of State has said that the proposals were not supported by local people. As he well knows, that is simply not true. He talks as if the proposals were somehow imposed by the Labour Government, for political purposes, against the wishes of local people. Nothing could be further from the truth, and if the Secretary of State does not believe me, he should go to Norwich and Exeter for himself. The people there will tell him what they think. Indeed, they already have. The fact that Labour made gains and the Tories suffered losses in both Norwich and Exeter in what were, essentially, single-issue by-elections will surely not have escaped his notice. In fact, the original move to become a unitary authority in Norwich was made by a Liberal Democrat—the Secretary of State's coalition partners—not by the Labour party. The proposal enjoys cross-party support on the council and in the city. Opinion poll after opinion poll has shown that local people support the principle of single-tier local government in the city by a margin of two to one.

I pay tribute to the work of my former right hon. Friend, Charles Clarke, and the noble Baroness Hollis for the tremendous leadership that they have shown for the people of Norwich. The hon. Member for Norwich South (Simon Wright), who follows in my former right hon. Friend's footsteps and sits on the same Benches as the Secretary of State, also supports unitary status, as does his wife, a city councillor in Norwich. A few days before the election, he said:

"It is very much a positive step...I broadly welcome a unitary Norwich. I think it is a good thing in terms of the democratic voice for the people of Norwich."

We wait to see whether that is still his view today, or whether what he said has gone the way of so many other Liberal Democrat promises.

We all know what a thing the Secretary of State has about council-funded newspapers, so I know that he will be keen to hear the views of the independent *Norwich Evening News* on the matter. Its editorial after the decision was announced was clear:

"Unitary decision is a wonderful opportunity".

The same is true in Exeter, where the move to unitary status is supported by all four parties on the city council, including the Conservatives. In a vote in December 2009, the city council overwhelmingly agreed, by a margin of 31 votes to two, to support the city's bid for unitary status, but the Secretary of State, sitting at his desk in Whitehall, thinks that he knows better than the people of Exeter.

The Secretary of State would be well advised to pay close attention to my right hon. Friend the Member for Exeter (Mr Bradshaw) when he speaks, because he has been a champion for his constituents on this and many other issues, and he knows what the people of Exeter want. Failing that, the Secretary of State should at least listen to his own party members and councillors in Exeter, because they support a unitary authority too. Let me remind the House of the words of Councillor Yolanda Henson, the leader of the Conservatives on Exeter city council. She said:

"We have always backed the Exeter unitary bid and said we would like to control our own destiny. We represent the people of Exeter and, of course, my colleagues are going against what we are going to get and they are going to lose."

I think that she was talking about the Secretary of State.

What people in Norwich and Exeter will remember is that it was a Tory Government, in 1974, who abolished their unitary councils, after hundreds of years of self-government. They will not forget that it is a Tory Government, with Liberal Democrat cheerleaders, who have prevented them from running their own cities again. Norwich and Exeter are great, proud cities, with long histories of self-government and a desire to manage their own affairs. What this Bill really exposes is the gaping hole at the heart of the coalition's plans to give greater powers to local authorities and local communities. The Conservatives say that they want to devolve power to local government and local people. The Secretary of State said:

"If you want to restore faith in politics...if you want people to feel connected to their communities, proud of their communities, then you give people a real say over what happens in their communities".

He also said that he wants to

"put town halls back in charge of local affairs"

just not in Norwich or Exeter. He says that he wants localism, but he is not happy for the people of Norwich to decide for themselves what time they turn their street lighting off, how they fund their schools, or which children's centres should be spared the devastating cuts that the Government have imposed on them. That is his form of localism.

What does all this say about the Government's policy on unitary authorities? The last time the Conservatives were in power, they set up nearly 100 unitary authorities across the country. Now we learn that they just do not believe in them any more. In the other place, the noble Baroness Hanham confirmed their policy, saying that

"the Government have no plans to issue further invitations for unitary authorities".—[*Official Report, House of Lords*, 30 June 2010; Vol. 719, c. 1832.]

[Caroline Flint]

So there we have it: the Government believe that two-tier systems are more efficient, more accountable, and better value for money than single-tier unitary authorities—with counties disposing of waste and districts collecting it; districts dealing with town planning and counties dealing with transport planning; districts cleaning the pavements and cutting the grass, and counties keeping the roads clear; and with all the separate back-room functions that that entails. So much for simplification, reducing duplication and cutting bureaucracy.

Like on so many things, the Secretary of State appears to be all talk and no trousers. This is a petty, vindictive and, frankly, pointless Bill. It cannot change the situation in Norwich or Exeter, as the High Court has already quashed the orders setting up unitary authorities there; nor does it reform the process for setting up unitary authorities, as part 1 of the Local Government and Public Involvement in Health Act 2007 remains unchanged. The one thing that the Bill does effect is unnecessary, because unless the Secretary of State needs protecting from himself—which is not an entirely unreasonable suggestion—he does not need legislation to prevent himself from creating unitary authorities in Norwich and Exeter. All he has to do is not lay the orders. It is as simple as that.

At a time when local authorities are losing almost a third of their funding and communities are being denied the vital front-lines services that they rely on, creating unitary authorities in Norwich and Exeter could have saved those councils money—money that they could have used to try to mitigate the devastating cuts that this Government have imposed. Creating unitary authorities was supported by the people of those cities. The proposal would have helped to deliver more efficient and accountable services to local people, and would have spurred economic growth and created jobs when we need them most, benefiting not only those cities themselves, but the surrounding counties. Instead, the Secretary of State, who likes to vaunt his localist credentials, but so badly failed to stand up for local councils in the comprehensive spending review, has left Norwich and Exeter, like so many town halls up and down the country, high, dry and hard-up.

12.55 pm

Mr Keith Simpson (Broadland) (Con): Let me begin by saying that I warmly support the proposal made by my right hon. Friend the Secretary of State. Let me also remind colleagues on both sides of the House that the announcements made yesterday and their effect on local government were brought about entirely by the incompetence of the last Labour Government. The cuts are due entirely to those Members who are now on the Opposition Benches, and we are going to hang that round their necks. People in Norwich and Norfolk know that only too well.

My right hon. Friend began by saying that the whole issue was like something straight out of Dickens' Jarndyce v. Jarndyce. It has been going on for four years, and at the outset—my constituency was then called Mid-Norfolk; it is now called Broadland—I was in favour of the status quo, although I was prepared to hear the arguments. The problem that the right hon. Member for Don Valley (Caroline Flint) has, and which Opposition Members generally have, particularly the right hon. Member for Exeter (Mr Bradshaw), is that when we look at the sorry trail of order, counter-order and disorder over the past four years—the different instructions given to the boundary committee, the contradictory instructions given by successive Secretaries of State, the amounts of money that have been wasted, and, perhaps most importantly, the original riding instructions given to the boundary committee—we see that the views of local people were specifically excluded. There was no democracy at all. Indeed, the very few opinion polls that have ever been conducted in Norwich and Norfolk—we cannot look at the unitary issue without considering the whole county—showed no advantage at all to those who wanted a unitary authority.

The irony is that, to begin with, pressure was brought to bear on the boundary committee to consider expanding the boundaries of Norwich to include its outer areas, but not one individual wanted to join a unitary Norwich, as became obvious in the local government elections and from the letters and e-mails I received from the surrounding villages that would have become part of a greater Norwich. Why did they not want to enter a unitary Norwich? It was not a question of ideology or principle; unfortunately for the right Member for Don Valley, it was because Norwich city council has been incompetently run under Labour for decades. Norwich city council has had high council tax, has been unable to achieve high scores for any local government criteria, and has had a housing scandal in only the past two years. It has been an absolute disgrace, and as somebody who was born in Norwich I think it a great shame that such a fine city has had to put up with such total and utter incompetence. I suggest that the Institute for Government use the track record of the past four years as a model for how not to carry out reform in government. However, what has happened is well documented, so I will not go into it again.

There is no overall public support for the proposal. The right hon. Lady pointed out the financial consequences, but having seen different sets of figures produced by the Department for Communities and Local Government over the past four years, even the former Member for Norwich North, Dr Ian Gibson—who was deselected by the Labour party and resigned, after which there was a by-election, which was won by my hon. Friend the Member for Norwich North (Miss Smith), who was re-elected in the general election—could not see the advantages. The disadvantages would be felt not just by the people of Norwich, but by the people of Norfolk. The population of Norwich is approximately 130,000, but these proposals would have affected the population of Norfolk, which is nearly 800,000. What would have been the advantage of having two directors of libraries, two police forces and two of virtually everything else? There would have been no advantage whatever.

This sorry saga has incurred a vast cost to taxpayers living in my constituency and in Norwich. I would be interested to put in a freedom of information request to see what letters, e-mails and conversations Ministers' private secretaries received from members of the Labour party over the past four years. It has been obvious to people living in Norfolk that this has been a ramp by the Labour party intended to secure a Labour party advantage. The great irony is that, as a consequence, there are no Labour MPs left in Norfolk at all. The

people of Norwich and Norfolk have recognised how incompetent this process has been and how much it has cost. The attempts by the noble Baroness Hollis to seek all kinds of judicial reviews to string things out have been regarded as a joke in Norwich—and the same could be said of Exeter.

I come back to my first point. The right hon. Member for Don Valley laid great emphasis on democratic representation and criticised my right hon. Friend the Secretary of State for not letting local communities decide. Local communities did decide. They made that quite clear in a by-election and a general election, which saw Labour lose two Norwich seats and the election of my hon. Friend the Member for Great Yarmouth (Brandon Lewis). The people of Norwich and Norfolk have spoken. I support the measure proposed by my right hon. Friend the Secretary of State.

1.2 pm

Mr Ben Bradshaw (Exeter) (Lab): For a Government who claim to want to give more power to local communities and to devolve decision making downwards, this is a most astonishing Bill to force through Parliament as a priority today. The Secretary of State said on 8 June this year:

"I want to give an indication of my three most important priorities. These are: localism, localism and localism."

The Conservative manifesto referred to

"Making politics more local... we want to pass power down to people",

while the coalition agreement spoke of a

"radical devolution of power to local government and community groups".

Someone called the "decentralisation Minister" told the local government conference on 8 July that he would

"put town halls back in charge of local affairs".

How hollow those promises sound today, as this Government seek to drive through a Bill that will achieve exactly the opposite, depriving the people of Exeter and Norwich of their localism and their historic unitary status. They have fought for nearly four decades to regain the right to run their own affairs. The Government are not handing power down, but up to the bigger, more remote and much less accountable Devon and Norfolk county councils.

We have already heard that today's debate involves unfinished business not of the last four years, but of the last 36 years. Before 1974, Exeter and Norwich had both enjoyed their own local government for hundreds of years—long before county councils were even thought about.

We do not need to rehearse the arguments for unitary government, as my right hon. Friend the Member for Don Valley (Caroline Flint) has already expounded them. Suffice it to say that unitary government used to have all-party support for the obvious reason that it is more efficient, more transparent and more accountable. Indeed, the last Conservative Government recognised that and acknowledged the mistakes they had made in 1974, as they created a further 46 new unitary authorities after 1974, including the only other two sizeable urban areas in Devon—Plymouth and Torbay. That reorganisation under the last Conservative Government left Exeter and Norwich as the biggest cities in England without control over their own affairs. That lack of democratic accountability is felt even more acutely in those great provincial cities that are in the middle of large rural counties, where most of the services continue to be delivered and the decisions continue to be taken by rural-dominated county councils.

That is the situation that the Labour Government inherited. We quite rightly recognised the role of cities such as Norwich and Exeter as economic growth points, and the desirability of unitary government as less wasteful and more accountable. In 2006, we invited bids from anyone interested to come forward with suggestions for unitary government. Like a number of other towns and cities across England, Exeter responded enthusiastically.

Exeter's bid enjoyed all-party support. We have already heard one quote from the leader of the Conservative group, Councillor Yolonda Henson. She wrote to my local newspaper, the *Express & Echo* on 10 March this year:

"In one of the greatest political statements ever spoken, Abraham Lincoln praised the virtues of a government of the people, by the people and for the people. That is precisely what the restoration of unitary local government is promising for the people of Exeter."

I could not have put it better than the Conservative group leader on Exeter city council. I would like to pay tribute to Councillor Henson and her fellow Conservative councillors for withstanding the constant bullying and pressure from their party at the national level and from Conservative councillors at County hall. It was not only all the political parties on Exeter city council that supported our unitary bid, as every single significant stakeholder in the city supported it: Exeter university, Exeter chamber of commerce and the voluntary sector. Every single opinion poll carried out in Exeter showed that the overwhelming majority of people in the city wanted their own self-rule.

At this point, I note the comments of Lord Burnett during consideration of this Bill in the other place. He claimed that the recent general election result in Exeter was evidence of opposition to unitary status. I have to inform Lord Burnett that in Exeter Labour secured the second-lowest swing against it anywhere in the south-west. The poor Conservative candidate, caught between her local party and central office, sat so firmly on the fence on the issue that I wondered how she did not split in half. She did much worse than the Conservatives had expected, given the tens of thousands of pounds of Ashcroft money they poured into Exeter. The poor Liberal Democrat candidate, who defied his own local party and came out against unitary status, was the only Liberal Democrat in the whole of the south-west whose vote went down. As with so much of what else Lord Burnett has said on this matter, he is grossly ill informed and the facts are quite the opposite of what he claimed.

Exeter's original bid had all-party, all-stakeholder and public support. We should not forget that it would have been perfectly possible at that time for counter bids to be made by Devon county council or Norfolk county council, but that did not happen. The then Labour Government regarded Exeter's bid as one of the strongest, but, as we have already heard, it narrowly failed to come through on one of the criteria—the affordability criterion, as it would have taken a long time to pay back the costs.

Brandon Lewis: The right hon. Gentleman refers to the failure of alternative bids—for example, from Norfolk. There was advice from the Department about what

[Brandon Lewis]

should have been considered. Surely the right hon. Gentleman would accept that this happened in Norfolk because Norfolk county council wanted the status quo and did not want to be messed about by the Government in the first place.

Mr Bradshaw: That might well be the case, but my point is that it would have been perfectly open to either Norfolk or Devon to make counter-unitary bids, but there was no support. I accept that there was no support in Devon or Norfolk for those initiatives and I shall come on to explain why. That is exactly why the Labour Secretary of State came to the conclusions he did.

Exeter's bid was considered one of the strongest, but it narrowly failed on one of the criteria because there were no corresponding unitary bids from the rest of Devon. There were weaker bids at that time: there was a bid from Bedford and a bid from Chester that went through because there were corresponding unitary solutions covering the rest of those counties. That being the case, I think the Government were absolutely right to ask the boundary committee to look at possible unitary solutions covering the whole of Devon—and the same for Norfolk and Suffolk.

I have to say that describing the boundary committee process as unsatisfactory would be the understatement of the century. It took two years and it had a flawed consultation, which had to be started again. It was plagued by a series of self-serving judicial reviews from some of the district authorities that were worried about being abolished. There was a strong—and, I believe, justified—suspicion in both Exeter and Norwich that the boundary committee and Department for Communities and Local Government officials were not balanced in their approach, favouring the more powerful counties against the cities.

Gordon Birtwistle (Burnley) (LD): I should like to refer the right hon. Gentleman to the bids in 2006, when Burnley and Pendle put in a bid for a unitary authority following a visit by the then Secretary of State, the right hon. Member for South Shields (David Miliband), to Lancashire county council, who declared it a basket case under the rule of the Labour party. Burnley and Pendle put in that bid, and it was declared to be excellent, yet the then Minister, the hon. Member for Oldham East and Saddleworth (Mr Woolas), turned it down. Can the right hon. Gentleman explain the reasons for that, in the light of what he is now saying about Norwich and Exeter?

Mr Bradshaw: You will have to forgive me, Mr Deputy Speaker, but I am not an expert on the local situation in Burnley and Pendle. Perhaps one of my Front-Bench colleagues will be able to address that point when they respond to the debate later.

I was talking about the concerns that Exeter and Norwich expressed about the fairness and balance of the process. Professor Ron Johnston, the local government expert on the boundary committee and one of its more experienced members, resigned from the committee in July 2009 because he felt that its approach had been unfair to Exeter and Norwich. He wrote to the then Secretary of State in January this year, saying that

> "the position of Exeter concerned me greatly throughout the 15 months of discussions...Exeter is a major economic growth point, and in my view, such an important urban area should have its own separate local government (democratically accountable to its residents) with control over economic and spatial planning".

Following the illustration of the flawed nature of the boundary committee's work, it ended up recommending a unitary single Devon and a unitary single Norfolk, which has already been criticised by Conservative Members. Neither solution was supported by anyone. Devon county council did not want a unitary Devon, and it was that suggestion that provoked the most opposition during the consultation process. It was certainly totally unacceptable to Exeter, just as it would have been for Norwich. There was no precedent for a city of that size or significance being subsumed into a unitary county in modern times, and it would have been totally unacceptable.

The Secretary of State therefore had a problem. It was open to him or her to accept, reject or vary the boundary committee's recommendation. Given the strong opposition to a unitary county, the strong support in Exeter for a unitary Exeter, and the opposition around Exeter to a unitary greater Exeter—which had been one of the options early in the process—my right hon. Friend the Member for Southampton, Itchen (Mr Denham) reverted to Exeter's original bid, and he was absolutely right to do so. Given the length of time and the uncertainty involved, he was absolutely right to recognise Exeter's right to self-determination.

Much has been made today of the affordability criterion. Indeed, that was the main plank of the Secretary of State's reasoning. However, Professor Ron Johnston wrote in his resignation letter that

> "this criterion made the creation of a viable urban authority based on Exeter and its immediate surrounding area extremely difficult, if not impossible."

In other words, the criterion was flawed. Even if it had not been, the increased importance of Exeter as a driver for growth—it had the third highest level of growth anywhere in England between 1998 and 2006—had rendered the criterion redundant. Indeed, that was recognised by the then Secretary of State when he said that he was justified in departing from the presumption that unitary proposals that do not meet all five criteria were not to be implemented.

My right hon. Friend the Member for Don Valley has reminded the House that in the long run, far from costing money, the unitary solutions for Exeter and Norwich would have saved money. I have here a letter from Baroness Hanham, dated 22 July 2010, which states that the

> "net costs of creating a unitary Exeter during the transition period to 2014-15"

would be £2.5 million. The annual savings after that would be £2.6 million a year. In the case of Norwich, the projected savings are even greater. The net cost of creating a unitary Norwich up to 2014-15 would be £1.9 million, with annual savings thereafter of £3.9 million. It is simply wrong for the Secretary of State to say that this process would have cost money in the long run. It is also wrong of him not to recognise that the most expensive option is the status quo.

In the Bill, the Conservative-Liberal Democrat Government are treating the people of Exeter and Norwich, two of our great historic English cities, with complete contempt. The Government claim to support

local democracy and the devolution of power down to local communities, but in their first local government Bill since the election they are doing exactly the opposite. In an act of pure political vindictiveness, they are taking away the local autonomy that Exeter and Norwich had at last regained, after nearly 40 years of waiting.

The people of Exeter and Norwich will not forget this shabby treatment by the coalition. Indeed, they have already had the opportunity to make their views plain. Thanks to the outrageous and dictatorial way in which this Government have handled the whole process, Exeter and Norwich were forced to hold unwanted local elections last month. In Exeter, the Conservatives lost three seats to Labour, and the Liberal Democrat vote did not just go down, it collapsed. The immediate result of this Government's shabby treatment of my city is that Labour has regained control of the council, because of the anger felt by Exeter people towards the Conservatives and the Liberal Democrats. We are unlikely to persuade this Government of the justice of Exeter and Norwich's claim for self rule, but those two great cities will not give up. They were proud, self-governing cities for hundreds of years before county councils were even thought of, and I am confident that, when we again have a Labour Government who are committed to localism in deeds and not just in words, their long march to recover their lost freedom will be won.

1.16 pm

Anne Marie Morris (Newton Abbot) (Con): I thank the right hon. Member for Exeter (Mr Bradshaw) for his contribution. I hear what he is saying, but he and I have rather different memories of what happened at that time. He has implied that the county of Devon was in favour of the unitary proposal for Exeter, but that is certainly not my recollection. Indeed, the people of Devon were not at all in favour of such a unitary authority for a number of reasons, and that is why I rise to support the Bill.

Newton Abbot is part of Devon, and we are served by Devon county council. My hon. Friend the Member for Broadland (Mr Simpson) made a good point earlier when he said that we need to consider the impact on those we leave behind, as well as those we put into a unitary authority. What would happen to the rest of Devon if we were to carve out Exeter? Exeter has a large population, and a unitary authority would attract a lot of funding. What would happen to the remaining rump? Devon has one of the largest geographical areas in the country. Parts of it are also in the lowest quartile of economic resilience. Across the county, 20% comprises rural villages and hamlets, and it has already been noted that Torbay and Plymouth—two other large centres of population—have already been carved out of it. The remainder of Devon is a large swathe of small villages.

Devon faces challenges not only of rurality but of an above-average number of older people, as a consequence of people liking to go there to retire. Why does that matter? It matters because of the way in which public funding formulae work. For the most part, rurality and the age of the population are not taken into account. The consequence for education in Devon can be seen in the league tables for the country; Devon is now 148th out of 151. That means that our children are getting £300 less per head spent on them, which adds up to a substantial amount for a sizeable secondary school. In health, we are also below average. It is true that statistics show a figure of only 1.1%, which seems like a very small number. That completely misrepresents the position, however, because of the number of ageing people in the county. If Exeter had become a unitary authority, my constituents and those in other parts of rural Devon would have been significantly worse off.

Mr Bradshaw: The hon. Lady seems to be making my point for me, which is that Exeter and Norwich have been the milch cows for rural Devon and Norfolk. That was denied by Devon county council all the way through the process, but she is making the point extremely well today.

Anne Marie Morris: I do not accept that. They have not been milch cows. I do not deny that Exeter is an important part of the Devon community, but I believe that we need wealth to be generated throughout Devon. We cannot look only at Exeter. I do not think that that detracts from my point that the rest of Devon would simply become worse off if Exeter became a unitary authority.

There are a number of things on which my constituents and, I suspect, other Devon constituents would prefer £40 million to be spent. A challenge is presented by our railway along the coast: we need funds to make it viable, and it is crucial to the viability of tourism in my constituency. I think that my constituents would like the bypass—the A380—to be finally completed, after 50 years of battling. They would also like the flood problem to be sorted out. In Teignmouth, I am currently battling to try to ensure that the flood prevention scheme proceeds. Notwithstanding what was said about flooding earlier, Opposition Members may recall that the Labour party proposed capital cuts of 50%, but the cuts that we have proposed are considerably smaller, and I am therefore hopeful that my friends in Teignmouth will get their scheme. Our water bills are 25% higher than water bills anywhere else in the country, and some of this money could be usefully spent on rectifying an injustice that has existed for many years.

I do not think that unitary status will be in the interests of Devon or of the country as a whole, but as the money simply is not there, the question becomes inappropriate in any event. I therefore support the Bill.

1.21 pm

Dr Alan Whitehead (Southampton, Test) (Lab): This is a rather strange debate. We are discussing a Bill with which it appears to be unnecessary to proceed, and which is being defended on grounds that seem far from anything relating to the reality of what occurred with the applications for unitary status. Indeed, it is being defended by the Secretary of State on the basis of what was, in fact, a series of spurious claims about costs and various other elements. It provides for the retention on the statute book of the 1997 legislation enabling unitary status applications to be received by the Secretary of State. The Secretary of State said, in typically colourful language—clearly it was a metaphor, or he would have been arrested—that there was a pistol in his desk which he would take to anyone who dared to suggest to him that the democratic structures of local authorities might be changed in favour of local people's wishes.

[Dr Alan Whitehead]

Even stranger is the Secretary of State's argument about value for money. He suggested that one conclusion of a consultant's analysis of local government in general might be that one of the impediments to really good value for money was the number of councillors making decisions, holding meetings and incurring expenses as a result. He implied that local government would become much more efficient in terms of value for money—if that is the sole criterion—if local councillors were abolished, along with any local concerns about their election, and councils were replaced by a series of local authorities run by commissars. I do not think that any Member present would be particularly happy with that outcome—I imagine that they would want local councillors to run local authorities—but as soon as it is decided that local councillors should run local authorities, the question arises: what kind of authorities should those be?

To say that in the light of those value-for-money considerations, the whole question of who wants what kind of local government to act in their interests in particular areas is irrelevant, is fundamentally to miss the point of what local government is about. It certainly misses the point in terms of the Conservative party's claim that it is now the party of localism. That would be so even if the arguments about the financing of the authorities that we are discussing were not as finely balanced as they have been.

The Secretary of State's claim that unitary status would cost £40 million ought to be withdrawn by the end of the afternoon. It is grossly misleading, and a shameful defence of the Government's proposals. Almost all the money would be recouped within five years, and there would be savings thereafter. Even if there were a financial argument, however, it would be trumped by arguments about local accountability, and about the purpose of councillors and local democracy.

Mr Keith Simpson: This is not the hon. Gentleman's fault, but I do not think that he participated in any of the earlier debates on this subject. Many of them were held in Westminster Hall. I suggest that he read the evidence presented by my hon. Friend the Member for South Norfolk (Mr Bacon), a senior member of the Public Accounts Committee, who said that all the arguments about the savings that would be made had invariably been substantially wrong.

Dr Whitehead: I hear what the hon. Gentleman says, but my figures are from the explanatory memorandums to two statutory instruments that were presented to the House—and indeed have been confirmed by figures from the Government. I am at a loss to understand why more weight should be given to certain views on what costs might be than to cost figures that have been deposited in the House for Members to examine. I am not sure that the hon. Gentleman's point was very telling, but even if it had been a little more telling, I do not think that it would have undermined the real question before us, which is how local government can work in the best interests of the people who elect councillors and want them to run services on their behalf.

Again using colourful language, the Secretary of State snuffed out the ambitions of Norwich, Exeter, and by implication Ipswich, to become unitary authorities in the future. That suggests—I am reminded again of the pistol analogy—an overall and enduring hostility on the part of the Secretary of State and others to the very idea of unitary authorities in the future, although the Local Government and Public Involvement in Health Act 2007 still provides for the possibility.

The position could have been different if that deep prejudice had not lain behind the decisions that were made. Even the judicial review was clearly based on narrow parts of the overall tests and consultation. The judge concluded that, essentially, the issue was fixable. He said

"this does not prevent them"

the proposals—

"being put forward for approval after what need only be a short period of consultation."

His judgment was based not on the grounds that the proposals were irrational, but on narrow grounds relating to the tests before the consultation, and anticipated that the proposals might be presented again. It has been made clear today that they will not be presented again, because of what the Secretary of State and the Government have decided is their view—not the people's view, not the local authorities' view, not councillors' view, but the Government's view—of how local government should be conducted in the future.

Another strange aspect of the debate is the suggestion that the proposals result from the revolutionary ideas of local authorities that are attempting to break free from counties and move into unknown territory on their own, to the detriment of those counties. In fact the whole history of local government, not just in Norwich and Exeter, but across the country shows that the opposite is the case.

It is interesting to reflect on the history of county boroughs. As has been mentioned, both Norwich and Exeter have a long history of independent self-governance as local authorities. The 1889 legislation that created the modern local government system introduced the idea of county boroughs; the large number of county boroughs reflected the wishes of people in those cities. The framers of that legislation specifically said that it would be impractical for towns and cities whose local government had previously been independent to be incorporated into counties, which was why the county boroughs were introduced. That was done to ensure that that tradition and that system continued, and residents of cities and towns could exercise unitary self-government within the cradle of the county around them. This is not a new idea that was just dreamed up by the Labour Government; it is historically the way in which local government outside metropolitan areas has been conducted.

What has happened in local government in relatively recent years is that with the overwhelming approbation of the people living in these towns and cities, there has been a move back towards what is, in essence, a local government structure of county boroughs across the country. Some 85 of the 87 unitary authorities introduced between 1889 and 1965 survived until that date; three of them then became London boroughs. In 1974, 37 of those county boroughs became metropolitan boroughs, and subsequently, particularly in the early 1990s under a Conservative Government, a large number of those became unitary authorities again. Some 24 of the

45 remaining county boroughs became unitary authorities, but 21 did not, and two of the five largest of those are Exeter and Norwich. It was largely a matter of chance that they did not become unitary authorities as a result of that process.

People with a reasonable memory of local government will recall the hanging commissions that went around the country in 1992 to determine the future of local government, county by county, across England. Commissioners were sent out within those county frameworks to produce independent reports about what the future local government structure would be, and the then Government implemented them. Those reports advanced a variety of different approaches, depending on the view of the commissioner involved.

Some commissioners produced reports saying, "The county borough is so important to the county that we cannot possibly have it excised from the county, so there must be two-tier local government." On other occasions, the same commissioners sent out to perform the same exercise in the same county said, "The county borough is so important in the county that it must be excised from the county and given back unitary status, because that is logically the right thing to do." In one part of the country a particular commissioner was so enthusiastic about unitary government that he abolished the whole county, and six unitary authorities were produced instead. That commissioner is familiar to many of us in a different guise—as the hon. Member for Christchurch (Mr Chope). A variety of conclusions were reached at that time, which meant, among other things, that Exeter and Norwich did not become unitary authorities because of the accident of who went out to do the report.

We have heard this afternoon that the people of Norwich and Exeter overwhelmingly support the idea that the long tradition of unitary government in those towns should be restored.

Mr Simpson: Can the hon. Gentleman give the House the factual evidence for that view? What polling has been done? Has a local referendum been held?

Dr Whitehead: The hon. Gentleman will recall hearing earlier this afternoon about the results of various polls conducted in those local areas, the results of consultations with councillors and the information that came from various bodies within the local authorities, all of which pointed to the idea that the people in those areas strongly supported the idea that their authority should become unitary.

Mr Bradshaw *rose—*

Brandon Lewis *rose—*

Dr Whitehead: I shall give way to my right hon. Friend first.

Mr Bradshaw: Perhaps I can help my hon. Friend here. The city council in Exeter commissioned an independent MORI poll—the only scientific poll conducted during this process—and it was overwhelming in favour of unitary status. I would be very surprised if a local newspaper that has its ear as close to the ground as the *Norwich Evening News* would have misjudged the mood of the people of Norwich by giving such strong support to Norwich's unitary bid.

Dr Whitehead: I shall now give way to the hon. Member for Great Yarmouth (Brandon Lewis).

Brandon Lewis: I defer to the right hon. Gentleman's expertise on the polling in Exeter, but the comments made by the right hon. Member for Don Valley (Caroline Flint) and others about Norwich did not give evidence of any polls; they just referred to the feeling of the people. As far as I am aware—I would be happy for the hon. Member for Southampton, Test (Dr Whitehead) to show me otherwise—no clear polling was done in Norwich, other than the work done by the Local Government Boundary Commission, which showed that 85% of the people wanted the status quo, 10% wanted a county unitary authority and only 3% wanted a Norwich answer. Yet that is what the Labour Government opted for.

Dr Whitehead: The hon. Gentleman has neglected to listen carefully to the points made so far in this debate, and to the idea of a variety of consultation devices to find out what people want in various areas. As has been said this afternoon, the councillors of all parties in Norwich overwhelmingly supported the aim of Norwich having unitary status. The idea that there was little or no support for this in either area is not sustainable.

However, it is true, as has been emphasised, that some members in county areas do not welcome the idea of unitary authorities in cities and towns within their county area. I cannot say that I am particularly surprised at that notion. Indeed, one issue that arose during those local government reorganisation consultations and discussions in the early 1990s was that counties, by and large, did not want those cities and towns to be removed from their overall county structure, and made strong representations to that effect. To say that some people in county areas might say that it would be nice to have their county council running a particular city or town is not surprising. That does not in any way undermine the central concern, which was reflected as long ago as 1889, that those towns and cities should have unitary status because of their particular position within those county areas, and the importance on a regional and sub-regional basis of many of those local authorities.

I speak as a former leader of a large city council when it was not a unitary authority, and I have been the MP representing that same city when it has had a unitary authority. I can say that the differences are enormous—for example, in terms of those cities having responsibility for their own services and their own arrangements and being able, among other things, to put to the people that simple arrangement that appears to have been missed in this afternoon's debate. The Secretary of State has stated on this occasion and on other occasions that people do not particularly want to concern themselves with the structure of local government, but just want services to be provided. In a unitary authority, that is palpably the case. One authority is providing the services, looking after the city or town, and it is close to the people in that respect and accountable to the people as a result of what it does.

Mr Bradshaw: Does my hon. Friend also accept that the fact that Southampton's unitary status was restored in no way impacted negatively on the performance of Hampshire? In fact, Hampshire is one of the highest

[Mr Bradshaw]

performing county councils in England. We could say the same for Swindon and Wiltshire. The myth perpetrated by the Government and by the opponents of unitary status for cities—that somehow the counties suffer—is not supported by the evidence. On the contrary, they tend to do better.

Dr Whitehead: My right hon. Friend makes an important point. Indeed, the counties do better in many ways, because the concerns of a particular city, freestanding within a far less urban environment, are focused on that city, and the concerns of the less urban environment are focused in the county council. It is certainly true that after some slight ill feeling, and attempts to foist less up-to-date computers on the unitary authority when the equipment was divided up, the arrangements between Hampshire and Southampton have been very good. They have worked very well, and as my right hon. Friend correctly points out, the county has prospered in its way, and the city has prospered in its way, as a result of unitary status.

I know that the Secretary of State will have his way this afternoon. He ought to hang his head in shame because of the fundamental contradiction between what he says about localism and what he is proposing to do this afternoon, but he will undoubtedly have his way. My concern, among others, is that we should not, as a result of this vindictive and spiteful early legislation, lose the idea that unitary local government—particularly in cities and towns outside metropolitan areas—is palpably a good thing for those cities and towns, and ought to be pursued.

It is interesting, in terms of the historical full circle that we might come in the end, that the mechanism in the Local Government and Public Involvement in Health Act 2007 is essentially the same as the one introduced in the local government legislation of 1889. If a local authority wanted to make the case that it should become a unitary authority, that could be done without a huge upheaval, with the whole of local government being reorganised and commissioners going up and down the country.

Indeed, between 1889 and the present a number of local authorities became county boroughs over the years, without a crisis in local government or a series of legislative measures going through this House on local government as a whole. That was a method of securing the way in which people in those areas wished to be self-governed. That is at the heart of this subject, and that is what is being denied this afternoon. I hope that as a result of some of the corrections of the myths put forward in this afternoon's debates, we can concentrate our attention on what is best for local government, not on what is best for particular people's opinions on particular days about how they would like to see local government run.

1.43 pm

Brandon Lewis (Great Yarmouth) (Con): I fully support the Secretary of State's comments when he referred to this whole debacle as a horror story. It was interesting to listen to Opposition Members, particularly the right hon. Member for Don Valley (Caroline Flint). Whereas the Secretary of State described a horror story, their description of what happened with the unitary authorities until the formation of the coalition Government was a romantic story. Looking back at what has happened, it almost seems like a farce to me.

Over the entire period, going back to 2006—I will focus on Norfolk in particular—this has been more than a case of Norwich having a fantastic offer that everybody wanted, with this coalition Government being the first to stand in the way of that. In all that time, I have never heard a single resident, surprisingly enough—and I have knocked on doors in Great Yarmouth and in Norwich, when I was there with my hon. Friend the Member for Norwich North (Miss Smith)—ever say, "Please, will you give us a unitary authority? Will you please have local government reorganisation in Norfolk?" In fact, there was huge frustration.

The argument was not simply whether we should have a Norwich unitary authority. It started back in 2006, with people looking at different options. That created confusion in Norfolk, with people considering whether Great Yarmouth, my constituency, should be linked in with Waveney, creating Yartoft, with an east-west divide in Norfolk, or whether there should be a full unitary option. There was complete chaos, and the finance never added up.

What concerned me from the beginning, quite apart from the clunking top-down approach of, "This is what will happen; there will be unitary," which was the clear message that authorities were being given, was the expense. One chief executive in Norfolk said to me that their estimate in 2008 was that their senior officers were spending 40% of their time talking to other officers in other authorities about plans for unitary and about all the various different plans. We should consider that in light of the number of senior officers there are across Norfolk, and consider whether they were spending anywhere near the time estimated by that chief executive.

Officer time and money are not included in the figures. Money has already been wasted over the past three or four years because it has been spent on looking at plans and organisation rather than delivering front-line services. I dread to think what the cost comes to, let alone the financial chaos that will no doubt be delivered on the people of Norwich, who have to pick up the tab for Norwich city council's amazing decision to spend about £90,000, as advertised, on an implementation officer before it even got the go-ahead for the change. I was horrified to find out when I was on a BBC show with the leader of Norwich city council that the leader was getting an allowance of £12,000 to £15,000 on top of his leader's allowance to chair an implementation group. I do not know what the other members of the group were getting or what that was costing, but it seems to me that an amazing amount of money has already been wasted.

To say that that would have been a good decision based on the savings of £6.5 million from 2015 onwards sums up, to me, the problems that we now have, looking at the figures and the implementation costs referred to by the hon. Member for Southampton, Test (Dr Whitehead), which are about £40 million. The savings would have started, had they been delivered, in 2015-16. We all know that the previous Government spent a lot of time spending money now in the hope that it would come later, and we have seen the economic mess that that got us into, with the deficit that we, and

local government in particular, are now having to deal with because of the mess that the old Government left behind. We now have to pick up the pieces economically.

It is a clear sign of what the Labour party thinks of Norfolk that it seems to want to focus only on Norwich. As my hon. Friend the Member for Broadland (Mr Simpson) rightly says, the reality is that a decision made for Norwich has an impact on the whole of Norfolk, and the whole of Norfolk had a view on this. The people of Norfolk were asked about unitary status and, as I said to the hon. Gentleman, 85% wanted the status quo, 10% wanted a county council in Norfolk and only 3% wanted a Norwich unitary authority. In my experience, people on the streets did not want a unitary authority. When the Boundary Commission referred back to it, it did not want a Norwich unitary authority. The House of Lords had concerns about it and the permanent secretary at the Department had concerns about it, yet the Secretary of State in the Labour Government at the time went ahead with it anyway. That seems to me a clear example of ignoring local views.

The view that the Labour party has of Norfolk, saying that the only thing that matters is Norwich, is probably a clear example of why there are no Labour Members left in Norfolk. Constituents and businesses in Great Yarmouth have the opportunity for economic growth because of measures in the Budget, with the outer harbour and renewable energy. I am sure that businesses throughout Norwich, in places such as Hethel, which is not in Norwich, and King's Lynn, would take the view that they have a great economic offer to make to Norfolk.

It seems, from beginning to end, that this has already been a costly exercise, but it would be interesting to know just how much money local government has lost in Norfolk on spending time researching this matter. Quite apart from the money that has been wasted on implementation committees and officers, it does not seem appropriate to focus on Norwich, where we have a local authority that has made some dubious and questionable decisions recently about its services with Connaught, with Greyhound Opening and with housing. That does not seem to me to be a fit authority to be used as an example of what could be a perfect unitary authority. In fact, it seems the antithesis of that. The best thing that can happen to Norfolk is for this sorry saga—this horror tale of horror tales—to be put to an end once and for all. I fully support the Bill.

1.49 pm

Gavin Shuker (Luton South) (Lab/Co-op): In cases such as this one, it is important that we come back to first principles, and those first principles strike me as being quite straightforward: do the people of Norwich and Exeter want this, is it rational that they should want it, and is it appropriate for unitary status to be conferred?

Norwich is the closest city to me of those that are under discussion. Does it want this? Yes, it does. Norwich city council currently has 34 Labour, Green and Lib Dem members, and they were in favour. Only the Tories, with five seats, were against. Earlier, the hon. Member for Broadland (Mr Simpson) claimed that the two seats of Norwich South and Norwich North changed hands at the election because the Labour Government had been pushing to try unitary status there. He should have more faith in his colleagues who represent those constituencies. They represent the new generation of MPs, and I am sure they would attribute their success to much broader reasons to do with their appeal.

Mr Keith Simpson: Will the hon. Gentleman give me an example, either orally or in written evidence, in this place of the former MP for Norwich North, Dr Ian Gibson, coming out in favour of the unitary proposal?

Gavin Shuker: Dr Gibson is no longer a Member of this House so I do not see the relevance of the question. I can, however, assure the hon. Gentleman that when I was campaigning in the elections that were forced as a result of the Secretary of State's decision, many of the people to whom I spoke were very much in favour of the proposal.

Mr Bradshaw: It may help if it is explained to Members that the Norwich North constituency straddles both Norwich city and Broadland district councils, so it is not surprising that the Member for that constituency has divided loyalties. The Norwich South constituency is wholly within the city boundary, and its MPs—both the Liberal Democrat Member whom we are looking forward to hearing from shortly, and certainly the former Member—have always supported unitary status, as, of course, have the vast majority of the democratically elected councils. As they supported this, why does the Conservative party, which often extols the virtues of local democracy and representation, not trust them?

Gavin Shuker: I completely agree.

Mr Keith Simpson: Let me explain the flaw in these arguments. What I am about to say does not necessarily apply to Exeter, but the only way in which Norwich could get unitary status and also fulfil all the economic criteria—one problem is that Secretaries of State have changed their minds about that—is to enlarge Norwich and bring in all the outer suburbs, including large parts of my constituency. They did not try to do that for the simple reason that the majority of the people there were totally against it, and they were totally against it because of the complete and utter incompetence of Labour-led Norwich city council. Therefore, even their economic criteria did not add up.

Gavin Shuker: Much as I am enjoying this conversation with the hon. Gentleman, I should point out again that he claimed the only reason why the two Members were elected to the House was because of the supposed opposition to the Labour Government's strategy for introducing unitary status. If he wants to talk about election results we should talk about those of last month: in Norwich, the Lib Dems were down one and the Tories were down one, while both the Greens and Labour were up one. If we want to draw lessons from the electorate, we could begin with those results.

Brandon Lewis: Will the hon. Gentleman give way?

Gavin Shuker: May I first explain that my point is that if we want to draw conclusions from election results, there is contradictory evidence, which is why I want to return to first principles?

Brandon Lewis: That last comment is interesting, but I wanted to say that I was actually out on the streets in Norwich during a recent by-election there—*[Interruption.]* Yes, I was in Norfolk, out on the streets, and when I talked to people on the doorsteps I found a complete lack of interest in the elections. That was because they were frustrated about what the last Government had put them through, and pleased that that was over and done with. That was probably part of the reason for the low turnouts. We are talking about what people want, and we therefore have to refer to the only figures that have been published, which show that 85% of people want the status quo and only 3% want Norwich city to have a unitary authority.

Gavin Shuker: Perhaps the hon. Gentleman will say what area was covered by that poll?

Brandon Lewis: As I said, it was the area that is entirely affected by the topic of this debate—Norfolk—which also includes authorities that are democratically elected.

Gavin Shuker: There is, of course, a variety of opinion in the area that will be affected by the changes. The Secretary of State's role in this respect is to decide which of the various different criteria are met and to make a judgment.

Brandon Lewis: Will the hon. Gentleman give way again?

Gavin Shuker: Of course; I am feeling very polite.

Brandon Lewis: I will leave the hon. Gentleman alone after this intervention, if I possibly can. He makes the point that it is for the Secretary of State to make a judgment and I entirely agree. Surely, therefore, the Secretary of State should take notice of the opinions of the people who said no, the local authorities who all—bar one, surprisingly—said no, the House of Lords, which showed concern, the permanent secretary, who also showed concern, and the Boundary Commission, which said no. After he has taken note, the Secretary of State should then also say no.

Gavin Shuker: I draw the hon. Gentleman's attention to the comments of both the former and the current Norwich South MP, both of whom were in favour of the change. If we agree about local decision making and local representatives knowing their community best, we need to start with their comments. Indeed, I am looking forward to hearing the comments of the hon. Member for Norwich South (Simon Wright). I hope there will not be the screeching noise of a U-turn. I do not know what the whipping operation is like for Government Members, and I have no desire to find out, but I could imagine that, possibly, on a long train trip up to their constituencies the hon. Member for Norwich North (Miss Smith) might have put a friendly arm around the hon. Member for Norwich South and talked about this issue.

Stephen Pound (Ealing North) (Lab): Steady on!

Gavin Shuker: Well, we are in the era of the new politics. I am genuinely looking forward to hearing the comments of the hon. Member for Norwich South, however, for whom I have a huge amount of respect.

On a national level, we need to ask this question: why would these people want this change? Government Members were at one time very much in favour of unitary status. Lib Dem councillors in Norwich wanted this, of course, and initiated the beginnings of the change, and the Tory party initiated getting on for 100 unitary authorities in their last spell in government. We can have an argument about whether the people want this but it certainly seems that the evidence on that is not clear, yet it is clear that the elected representatives in Norwich do want it.

The second question is: is it rational? The Department's own impact assessment showed that the most expensive option for Norwich was the status quo. Let us consider some comments made in another place—a fine place, I have heard, and one that I quite enjoy dropping into every now and again. Lord McKenzie of Luton noted that the High Court judgment had concluded that

"the Secretary of State was entitled to reach the view he did on the merits of the proposal and that it was not irrational."

He also said:

"in an arrogant, dictatorial and brutal way"

the judgment of the Secretary of State

"shut out Exeter and Norwich from the opportunity to become unitary councils—an outcome for which there is genuine local appetite". [*Official Report, House of Lords*, 30 June 2010; Vol. 719, c. 1802-05.]

We might also look at the judicial review that was initiated. We can see that the appropriate orders were quashed, but the judge said that

"this does not prevent them being put forward for approval after what need only be a short period of consultation."

There was no wide-ranging set of criteria under which the orders were thrown out. The judge clearly considered that aspects were rational, but he chose to highlight the short period of consultation needed. As a result, the orders were quashed—but they need not be by the Secretary of State.

Should a place such as Norwich be allowed to become a unitary authority? I speak for the nearest bastion of red in the east of England, although admittedly it is about two and a half hours away, which I feel acutely when I travel throughout East Anglia—the lovely place I am from. However, Luton became a unitary authority in 1997, which is a decision from which we have clearly benefited. It is important that Luton's people are able to elect local representatives who will stand up and speak for the areas they choose to represent, and who understand the local needs. There is a vast disparity in the Luton area between the types of areas, houses and villages, and between the feelings that people have about their area.

That is the point. Unitary authorities that are small enough to respond to the needs and views of its people will be best able and best placed to make the decisions that respond to the needs of the residents. If a place such as Luton is allowed to have that right—a right, coincidentally, that was bestowed on it under the previous Tory Government—I do not see why Norwich and Exeter should not also have the right to make their own decisions in their own ways. Norwich has a population of about 135,000; Luton is slightly larger, with about 200,000 people, but we are a mere borough. I love Luton borough council as much as the next man, but I do not understand why the great cities of Norwich and

Exeter, with their shining beacon status as cities, should not be allowed to take responsibility for their own affairs. I look forward to hearing the arguments put by Government Members for why they should not.

We in Luton would, of course, like to become a city—indeed, we have a city status bid in the file—and we would like all cities to have the opportunity to put forward their cases, as they did under the previous Government, but that right has been quashed under this Secretary of State. Why can these places not have their freedoms? Why can the voices of the local people not be heard? Why can the spirit of the judicial review not be followed through? I believe that the Secretary of State is a roadblock to reform, and I stand with the people of Norwich and Exeter.

2.2 pm

James Morris (Halesowen and Rowley Regis) (Con): I represent a constituency in the west midlands, which is some distance from my hon. Friends in Norwich. Members might wonder why I want to contribute to this debate. I intend to be brief—although I hope not in the spirit of the brevity of the Bill itself.

This Bill deals with some important principles. The hon. Member for Southampton, Test (Dr Whitehead), who is no longer in his place, said that he found the debate "strange". I find it extraordinary that Opposition Members are trying to argue that they are the defenders of localism, given that their whole time in government was predicated on one of the largest centralisations of power in Whitehall and away from local government; on an obsession with regional government and structures, and with the re-organisation of local government; and on the imposition of structures. We need to get away from that if we are truly to move towards a localist future.

The restructuring that the Bill, which I support, is trying to prevent was typical of the approach of the previous Government. They were obsessed with top-down reorganisations. I think it was the right hon. Member for South Shields (David Miliband) who kicked off this whole debate—as if we needed to have these top-down reorganisations. The requirement that parliamentary approval be sought for the restructurings was introduced during the death throes of the last Parliament in a way that was aggressive and an imposition, and these claims about potential cost savings are entirely spurious.

Rather than trying to impose top-down reorganisations on local government, which were such a feature of the previous Government, we need to embrace the diversity of local government—where county, district, town and parish councils all have a vital role to play. We need to encourage collaboration across different areas and at different levels of local government in the delivery of effective services. We need to do that because we need to achieve back-office efficiencies to reduce costs in local government; to reduce bureaucracy at the heart of local government; to re-engineer some of the processes; to share management costs so that we do not have so much duplication across local government; and to encourage local authorities to work in partnership in order to deliver services at the appropriate level. But we do not need to be obsessed with top-down reorganisations arranged from the centre.

The whole thrust of the last Government's approach to local government policy was to be obsessed with these top-down solutions, so I welcome the Secretary of State's introduction of this Bill. We need a completely different approach. We need a bottom-up approach that, as I said, encourages local authorities at all different levels to play an active and vital role in their local communities, because they are close to the concerns of local people. There are principles at stake here. The previous Government tried to introduce this top-down reorganisation for directly political reasons—in order to divide different areas of local government.

We need to bring an end to costly restructuring, so I welcome the introduction of the Bill; we need to focus on collaboration to achieve great efficiencies and cost-savings in local government, which are vital when we are having to make cuts in local government expenditure as a result of the previous Government's mismanagement of the public finances; and we need to move towards much more effective and democratically accountable delivery at a local level. That is why I support the Second Reading of the Bill.

2.7 pm

Simon Wright (Norwich South) (LD): It seems that my contribution to this debate has been widely trailed by Opposition Members. I thank them for the build-up. The organisation of local government is an important debate to my constituents in Norwich. As a supporter of the principle of unitary councils, both in general terms and specifically for Norwich, I am sorry that we are where we are. I take the view that unitary government is clearer and more accountable to the public than two-tier local government, and that, in Norwich's case, it could have enhanced localism by giving people more of a say over the services currently delivered by Norfolk county council.

The right hon. Member for Don Valley (Caroline Flint) quoted me as saying that I am a promoter of the democratic benefits of unitary councils. That is true. However—let me be clear about this, so that there is no mistake—the reason why we are where we are is that the process embarked on by the previous Government turned into a complete and utter shambles. While supporting unitary Norwich, I have always stated that I had concerns throughout the process. It was a process plagued throughout by legal challenges. It saw councils engage in pitched battles against one another, and sums of public money poured into public relations campaigns on all sides of the debate. It was a process that failed to engaged with the public.

Most people seemed either oblivious or apathetic to what was going on, or to the consequences of reorganisation—it was hardly localism in action. The debate was confined largely to politicians. We have heard a lot today about what the people in Norwich allegedly think, but they have never actually been formally involved in the process. The idea that people cast their vote for candidates on the basis of their views on local government reorganisation is perhaps the biggest red herring that I have heard today. However, it was a process that even the boundary committee seemed confused about.

Mr Bradshaw: Does the hon. Gentleman think that he would have won his seat if he had opposed Norwich's unitary status?

Simon Wright: It would have made absolutely no difference, because during the election campaign not a single person raised the issue with me.

Mr Bradshaw: In which case, why did the hon. Gentleman support unitary status? Was he reflecting the views of his constituents, contrary to what the hon. Member for Broadland (Mr Simpson) has suggested?

Simon Wright: I expressed my views because, when one gets a call from the local newspaper, it is a good idea to answer. Of course I was going to offer my support for the principle of a unitary Norwich.

None the less, as I began to say, the boundary committee seemed confused about the process, too, and that led to legal challenges over its failure to produce more than one alternative scheme in its original proposals.

In 2006, the previous Government invited councils to apply for unitary status, and Lib-Dem-controlled Norwich submitted a bid, sensing an opportunity for the city to have a greater say over its own destiny. The bid was deemed at the end of 2007 to require advice from the boundary committee, which reported back in 2008, but following a series of legal challenges by district councils and the county council in a complex chronology of events, the boundary committee finally advised in December that a single unitary council for the whole of Norfolk plus Lowestoft would deliver the outcomes specified by the Government's criteria for reorganisation, and that the original proposal of a unitary Norwich city should not be implemented.

In February of this year, Communities and Local Government Ministers announced that they felt the boundary committee's recommendations did not in fact meet the necessary criteria and, furthermore, that they would be going back to the original proposal of a unitary Norwich. So, with a general election coming up, the Labour Government performed a complete U-turn on its previous assessment of Norwich's bid. That was the death-bed conversion of a dying Government. Despite being a supporter of a unitary Norwich, I feared at the time that it was a convenient political fix to satisfy Norwich's pro-unitary Labour council in the run-up to a general election.

A quick fix is certainly not what Norwich needs for the long term. We have to be 100% convinced that a model for unitary government in Norwich not only provides the benefits of localism, but is sustainable for the city and the rest of Norfolk. The previous Government's quick-fix solution in February would have left Norwich with its existing city council boundaries, yet evidence from the Audit Commission suggests that the most effective unitary bodies are larger in size and have more widely drawn boundaries. The Government's models did not address the boundary issue.

Norwich city council's bid showed evidence of efficiencies, but another problem with the process was the volume of conflicting evidence that led to different conclusions. Although some efficiency savings can be made by going unitary, their extent is questionable, as is whether many savings can be made through improved joint working and shared services under two-tier and cross-district working. Progress on the latter has perhaps suffered locally in Norfolk, because councils were so unsure of their own futures until very recently. Efficiency savings, while an important consideration, have never been the most compelling argument for unitary government.

The orders laid in February by the previous Government to implement a unitary Norwich also included a provision to delay the scheduled elections in May for Norwich city council by extending councillors' terms of office, thereby affecting 13 council seats in the city. As we have heard, Norfolk county council issued judicial review proceedings challenging the Government's decision, and on 5 July this year the High Court quashed the orders in their entirety, including the extension of the terms of office for councillors. Thirteen councillors, many of whom had served with great distinction and for many years in public office, were simply stripped of their positions with immediate effect through no fault of their own. They did not deserve that, and some chose not to re-stand in the subsequent by-elections—a real loss to the city of Norwich of some fine public servants.

I am sorry that Norwich will not have unitary government this time. I hope that we will be able to look again at the issue and learn from the mistakes that were made. The process that the previous Government embarked on led to divisions and disappointments, and I feel a sense of deep regret, as well as anger, at the ill-thought-out process, which involved so much money and effort, promised so much in return, but delivered so little. After so much acrimony, it is time to move on. We will put the matter on hold for now, but I hope that we can return to it.

2.14 pm

Chris Williamson (Derby North) (Lab): Our very clear view is that the Bill is misguided and should never have come before the House. We heard the Secretary of State, in his customary pejorative fashion, criticise the measures to create unitary authorities in Norwich and Exeter as a "worthless legacy". "The public want the council to get on with more important matters," he said, and he referred to "zombie orders", but the fact is that the Secretary of State himself, with the massive cuts that he has endorsed, is creating zombie councils. He has singularly failed to stand up for local authorities and for the people who, throughout the length and breadth of the country, rely on the services that councils provide.

The Secretary of State talked about giving councillors the power to decide matters for themselves, and we support that, but the unitary proposal had cross-party support in Norwich and Exeter, so if he genuinely believes that councillors should be given the power to decide for themselves, why on earth has he brought this Bill before the House?

Brandon Lewis: The hon. Gentleman refers to cross-party support in Norwich, but for clarification I must note that he cannot be referring to the Conservative party, because Conservative members of the council were very much against the unitary proposal from the very beginning.

Chris Williamson: The members from the hon. Gentleman's party in Norwich were pretty irrelevant, actually, to—[HON. MEMBERS: "Oh!"] They were irrelevant

to the extent that they represent—*[Interruption]*—if the Secretary of State will allow me—a rump in that authority. Let us be clear about that.

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): If the hon. Gentleman regards the issue of party support and the views of councillors as the sole determining factor, can he explain why his right hon. Friend the Member for Salford and Eccles (Hazel Blears), when she was Secretary of State, rejected exactly the proposal with which we are concerned because it did not meet the required criteria?

Chris Williamson: The hon. Gentleman is not listening to me. I did not say that that was the sole determining factor at all, and he should listen a little more carefully. I know that this is one of my first appearances at the Dispatch Box, but if he listened more carefully he might learn a thing or two.

Labour Members very much support the benefits of unitary status for local authorities.

Mr Bradshaw: Perhaps the Conservative councillors in Norwich, who after all represent only the fourth party on the city council, did not support unitary status because, unlike the brave Conservative councillors in Exeter, they succumbed to the bullying from Conservative central office and from the Conservative county council?

Chris Williamson: In my experience, and from the anecdotal information that I have heard from Conservative colleagues, Conservative central office certainly does have a reputation for bullying, and I suspect that my right hon. Friend makes a very significant and relevant point.

My right hon. Friend the Member for Don Valley (Caroline Flint), the shadow Secretary of State, set out our support for unitary authorities. We believe in the benefits of unitary councils, but so did the Conservative party, as my right hon. Friend said. The Liberal Democrats believed in them, too, so what has changed? Why the Damascene conversion? In the 1990s it was perfectly acceptable for the Conservative Government of the day to create numerous unitary authorities, yet now the Secretary of State says that there will be no more unitary councils or local government reorganisation, in spite of its ineffective elements whereby, as a result of the two-tier system, people often do not understand which local authority is responsible for what. It is a very inefficient way of delivering services.

Indeed, as in the case of Norwich and Exeter and, I suspect, other parts of the country, too, local people, councillors and businesses want a unitary authority providing the services with all the efficiency that goes with that status. Such local authorities have the ability to shape the place that they represent, to bring new inward investment and to create jobs and prosperity for the people in their area. The Secretary of State is riding roughshod over the wishes of not only the general public, but his own party's councillors in Exeter. They have made their views very clear, but in an example of the bullying typical of the Conservative party when its members step out of line, their wishes have been disregarded, and those in other parts of the country have been sat on to keep quiet.

Mr Pickles: Will the hon. Gentleman give way?

Chris Williamson: I am conscious of the time available, but I give way.

Mr Pickles: I think we have a little bit of time, with your indulgence, Mr Deputy Speaker. I was wondering about Ian Gibson, a very distinguished Member of this House, who was deselected. Was that not bullying because the leadership did not like what he had to say?

Chris Williamson: The Secretary of State is really scraping the barrel. If that is the best he can come up with, it demonstrates the paucity of his argument.

The hon. Member for Broadland (Mr Simpson) talked about democracy and said that there would be "no advantage"—I think those were his words—to local people of a unitary council. I wonder what planet he is living on, because clearly there is a significant benefit to local people from a unitary local authority, and it is clear that the people in Exeter and in Norwich want a unitary authority. There is a streak of gerrymandering running all the way through the Conservative party: it wants to gerrymander constituencies across the country and to gerrymander in local government. The views of local people—

Brandon Lewis: Will the hon. Gentleman give way?

Chris Williamson: I have taken a few interventions. I want to make some progress.

The other important fact that the Government are ignoring is that Exeter and Norwich are significant economic drivers—the economic powerhouses of their local areas. If they were freed and allowed to speak up for the people they represent, they would be in a far, far better position not only to improve the services they deliver, but to bring in new inward investment to create the jobs that will be desperately required as a result of the horrendous cuts that the Secretary of State has sanctioned, which we heard about only yesterday.

Mr Keith Simpson: Will the hon. Gentleman give way?

Chris Williamson: I want to make a little more progress and deal with another point that the hon. Gentleman made. I will give way in a moment.

The hon. Member for Broadland betrayed a lack of understanding of local government when he said that the creation of unitary authorities in Norwich and Exeter would result in two police forces in each area. Clearly, that is utter nonsense. Let us get that on the record. He said that the move was supported by the former Secretary of State because it would generate some political advantage for the Labour party. Again, that is utter nonsense. It seems to me that, in making that remark, the hon. Gentleman is being economical with the truth. If someone is economical with the truth often enough, sometimes people start to believe it.

Brandon Lewis *rose*—

Mr Simpson *rose*—

Chris Williamson: The hon. Member for Broadland wanted to intervene and I give way to him.

Mr Simpson: I am thoroughly enjoying listening to the hon. Gentleman's speech and looking at the expression on the face of his Whip. He talks about gerrymandering and various other matters. The main reason the then Secretary of State turned down Norwich's original bid was that, with its current boundaries, it did not meet all the economic and regeneration criteria, yet, four years later, it was accepted. Can he explain why an argument that had been knocked down was accepted by a new Secretary of State four years later?

Chris Williamson: The hon. Gentleman wants to fight the battles of yesteryear. A number of changes occurred, not the least of which was that a better case was made by the authorities in question. In addition, there was a significant change in the economic conditions facing the country and, as I have pointed out, the cities are excellent economic drivers.

Brandon Lewis: Will the hon. Gentleman give way?

Chris Williamson: I do not want to give way to too many more Members, because I am conscious of the time. I will be told off by the Whips if I go over my time and it would not be fair to take all the time left.

My right hon. Friend the Member for Exeter (Mr Bradshaw) made an excellent speech in which he set out the case extremely well. He referred to the Secretary of State saying that he supported "localism, localism, localism". Of course, in reality, the right hon. Gentleman's commitment to localism is sadly lacking. If this is not about localism, I do not know what is. How on earth can the Secretary of State make such statements and claim that he is the tribune of the people and supports localism, and then deny the wishes of local people and their elected representatives? That is the very antithesis of localism. It is clear to me that, far from supporting democratic localism, the Secretary of State supports a more autocratic, top-down approach to local government.

Brandon Lewis: On a point of order, Mr Deputy Speaker. The hon. Gentleman just referred to the amount of time he has left. Will you clarify how much time he has left to take interventions on the statements he is making?

Mr Deputy Speaker (Mr Nigel Evans): This debate would have to finish at 6 pm, but it is always up to each and every individual Member whether they take interventions.

Chris Williamson: I am sure that the House would love to listen to me speak for the next four hours, but I will not carry on that long.

The hon. Member for Newton Abbot (Anne Marie Morris) let the cat out of the bag when she said that the cities are in a better position to attract grants—additional funding streams. It is clear from that statement that the current system of local government in those areas means that cities are able to bring in grants—often because they have a larger proportion of disadvantaged people living in their boundaries—but that that money is being siphoned off into other parts of the county and is not going to those who need it the most. That lets the cat out of the bag and I am sure that the Secretary of State had his head in his hands when the hon. Lady made that comment.

The hon. Lady said that she wanted the county structure to stay in place because she wanted to get funding for the A380. I do not know whether she was in the House yesterday or whether she listened to the Chancellor's statement, but the chances of getting funding for any new road schemes are pretty minimal to say the least.

Brandon Lewis: Will the hon. Gentleman give way.

Chris Williamson: No I will not give way; I am sorry, but I want to make some progress. *[Interruption.]* Will hon. Members calm down and listen for a moment?

My hon. Friend the Member for Southampton, Test (Dr Whitehead) absolutely demolished the Government's arguments about value for money, because this is about no such thing. Unitary councils provide far better value for money because the unitary system avoids duplication, means that local people understand far better the provision of services and, as I have said, brings in new inward investment and is a good economic driver for the community.

The hon. Member for Great Yarmouth (Brandon Lewis) spent about five minutes denying the self-evident facts about the benefits of unitary authorities—they are easier to understand, cost less and provide a better governance model.

Brandon Lewis: Will the hon. Gentleman give way?

Chris Williamson: No; I am going to carry on. *[Interruption.]* Hon. Members should calm down for a moment.

My hon. Friend the Member for Luton South (Gavin Shuker) has first-hand experience of the benefits of the unitary council that was created by a Conservative Government back in 1997. During the recent by-election, he had the opportunity to speak to local people in Norwich and it is clear from what he said that those people had no truck with the Government's proposals to deny their right to self-determination.

The hon. Member for Halesowen and Rowley Regis (James Morris) tried, in spite of the evidence, to portray the Conservatives as the defenders of localism, but that could not be further from the truth. He suggested that Labour has no business trying to claim that title, but we have demonstrated, through our period in government and our commitment to local government, that we are the party that genuinely deserves the crown when it comes to supporting localism. We have supported democratic localism: a Labour Government initiated the whole neighbourhood working and neighbourhood regeneration approach and supported local government with significant funding streams. The hon. Gentleman has the temerity to lecture us about top-down reorganisation when he is supporting the biggest ever top-down reorganisation of the national health service since it was created by the Labour party more than 60 years ago!

Finally, let me address the comments of the hon. Member for Norwich South (Simon Wright), who wants to have his cake and eat it. He said that he was sorry that we are where we are but went on to extol the virtues of unitary councils. He supports the unitary council in

Norwich but he has clearly been leaned on by his Conservative masters to dance to the Tory tune—as the Liberal Democrats have done ever since they signed up to the coalition agreement. The Bill belies an underlying authoritarian streak in the Secretary of State: it is not so much localism, localism, localism as diktat, diktat, diktat.

2.33 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): Perhaps I should start by congratulating my opposite number, the hon. Member for Derby North (Chris Williamson), on having achieved the remarkable feat, in his first speech at the Dispatch Box in a debate of this kind—although we have addressed some previous business on a less contentious matter—of having managed to string together more clichés than I have ever heard in a single speech. He did so without any visible trace of irony whatever; that is what I find really impressive. I can see now that the route to advancement on the Opposition Front Bench is to adopt that well-known school of advocacy, "If in doubt bluster, keep your head down, bluster a bit more and wave your arms around a bit." That is not so easy to achieve at my height, but if Members see something happening behind the Dispatch Box they will know that I have adopted it.

This has been a rather short sharp, debate, in more ways than one. I suppose it can be said that it has proved that it is possible for a dead cat bounce to have life. [HON. MEMBERS: "Cliché!"] It takes one to know one; I am just checking that hon. Members are still awake. I agree with the hon. Member for Derby North about one thing: in some ways, it is regrettable that we need to have this debate at all. My right hon. Friend the Secretary of State and I love coming to the Chamber, but we might have found matters to occupy our time other than having to introduce this Bill and keep hon. Members here.

It is worth looking at the history, so let me go back, as best I can, to the beginning. It was not all that long ago, although it may have seemed so to hon. Members at some points in the debate. The Bill is necessary to deal with the consequences of a nakedly political and questionable act by the Labour Government in their dying days, in ramming through a measure that they themselves had previously rejected—something that might be regarded as gerrymandering, according to any normal definition, and certainly as one of their ultimate U-turns.

Back in 2006 local authorities were invited to put forward proposals for unitary authorities. Some of those have been dealt with and have gone through the process. The purpose of the Bill is to deal with those left outstanding at the end of that process. Let me explain why they are outstanding. Exeter and Norwich submitted unitary bids on the basis of their existing boundaries. In July 2007 the then Secretary of State, the right hon. Member for Salford and Eccles (Hazel Blears)—she still sits on the Opposition Benches, as far as I remember—judged that there was a risk of their bids not being achieved. Indeed, she concluded that Norwich city council's proposal was such that there was "not a reasonable likelihood" of its achieving the outcome specified by the five objective criteria that she had set, particularly the affordability criteria. She then asked for some further advice from the boundary committee.

The right hon. Lady asked Exeter city council for extra information, which arrived in December, and concluded that its proposal, if implemented, was also unlikely to meet the affordability criteria. Confronted with what might have been a vaguely partisan dilemma, she thought that she would ask the boundary committee to explore the idea of unitaries across the rest of the county, but that did not work either.

Brandon Lewis: The hon. Member for Derby North (Chris Williamson) said that the public wanted those unitaries. I can speak only for Norfolk and Norwich, where in the only printed consultation the public said no. I still have not heard any Labour Member refer to clear polling other than the published polling, which showed that 85% wanted the status quo, 10% wanted a unitary Norfolk and only 3% wanted a unitary Norwich, which the then Secretary of State took forward anyway. The people said no, and the local councils, except one, said no. The House of Lords had concerns, as did the Joint Committee. The Secretary of State then went ahead. That is exactly the opposite of what the hon. Gentleman claimed: it is top-down gerrymandering, whereas this Government are moving forward with true localism and letting the people have their say.

Robert Neill: As I hope I can demonstrate to my hon. Friend in a moment, what caused the previous Government's plans to go awry was the fact that, not liking the results that they were getting, they decided to shift the goalposts at the very last moment—

Stephen Pound: Cliché!

Robert Neill: It was pretty much in extra time, with the referee about to blow the whistle. Then there came the next stage earlier this year, when the right hon. Member for Salford and Eccles had bravely walked into the outer darkness—I believe that the right hon. Member for Don Valley (Caroline Flint) did so at much the same time, but she has returned to bask in the sunlight of the Opposition Front Bench, so clearly does not share her right hon. Friend's opinion now. The then Secretary of State, the right hon. Member for Southampton, Itchen (Mr Denham), decided that his assessment of the Exeter and Norwich proposals was the same as his predecessor's. However, he decided to do the opposite, concluding that there were compelling reasons, which had never previously been articulated anywhere, to depart from the presumption that a proposal had to meet all five criteria. That decision was ultimately struck down by the courts. That attempt to ram through a change and shift the goalposts in the dying days of a Government is why we are in the present mess.

The hon. Member for Norwich South (Simon Wright) is right to say that we need not go into the legitimate debates that we could have about the efficacy or otherwise of unitary authorities, because we have here a classic example of how not to go about a local government reorganisation. That is why we need the Bill—to sort out that mess and put an end to the proposals that, having been struck down by the court, would otherwise have been left hanging in the air at the end of the process.

I shall say a word about two of the arguments that have been deployed this afternoon, the first of which is the need for local councils to be master in their own house and restore power to what I accept are ancient

[Robert Neill]

and proud cities. There is a serious flaw in that argument, which runs through all the Opposition's arguments: the fact that they confuse structures with power. That underlines and sums up the error in their approach to local government. They believe that we should give local authorities power by changing structures, reorganising and calling an authority unitary. On the contrary, we seek to give real power back to local authorities by removing the ring-fencing of centralised grants, providing them with the power of general competence, enabling them to work together collaboratively and removing restrictions on their right and ability to represent their constituents. That difference is a classic demonstration of the Opposition's idea that power is all about tinkering, whereas we think it is actually about giving communities real choices rather than worrying about structures.

Brandon Lewis: I thank my hon. Friend for being gracious enough to find time to give way, unlike the Opposition Front Bencher.

Does my hon. Friend agree that although we have heard an awful lot of figures for savings that can be made from a change to unitary status, the real savings come from not spending money on any reorganisation at all, and instead letting local councils share services, without the on-costs that unitary status brings?

Robert Neill: That is precisely right. I have known the hon. Member for Southampton, Test (Dr Whitehead) for a long time, and I admire his record in local government. He is no longer in his place, but I hope he would not take it ill if I said that despite his historical reference back to the times of the county borough changes, things have moved on. The argument now is not about restoring county boroughs but about shared services, collaboration, joint working and driving out costs from the corporate core. Creating small unitaries, as Labour proposed, would not have achieved any of that. My hon. Friend is absolutely right, and he brings me neatly on to the next point that I wished to make.

There seems to be a misapprehension about the whole issue of value for money and costs. We have always recognised that some savings can be made through restructuring, but the information that the councils supplied in their bids—it is in the impact assessment—showed that there would be set-up costs of £40 million, and that the transition could bring savings of some £39.4 million. However, Labour Members ignore the point that we have repeatedly made, which is set out in the first paragraph of the impact assessment: there is no reason for not making the savings through joint working and shared services—they are well developed in Norfolk, where there is a good shared services agreement, and there are good collaborative arrangements in Exeter—without having to incur the up-front costs of the reorganisation. That is why it is manifestly cheaper not to go down the unitary route. Labour Members conveniently ignored that.

With all due respect to the right hon. Member for Don Valley, she fell into the fallacy of thinking that structure was the same as power. She did not seem to grasp the fact that one her of predecessors on the Front Bench caused the mess that we are tackling.

Chris Williamson: If structures are so bad, were the Conservative Government wrong to create so many unitary authorities in the 1990s?

Robert Neill: From listening to the hon. Gentleman, I got the impression that unitaries would have become compulsory under a Labour Government. We accept diversity. We believe that if a unitary would cover a small urban area, its impact on the surrounding counties must be taken into account. That aspect is left out of Labour Members' analysis, although several of my hon. Friends raised it, particularly my hon. Friends the Members for Newton Abbot (Anne Marie Morris) and for Broadland (Mr Simpson), who effectively shredded the arguments of the right hon. Member for Don Valley.

Chris Williamson: Will the Minister give way?

Robert Neill: Of course; we have all the time in the world.

Chris Williamson: I know we have. I wanted to give the Minister another chance to answer the question. Were the Conservative Government wrong to create so many unitary councils in the 1990s, particularly when many were formed in the teeth of opposition from the county councils—*[Interruption.]* I can hear the Secretary of State saying, "Don't bother, don't answer," but I would be grateful for a response. The Minister appears to believe that it was wrong for us to try to create unitary authorities in Exeter and Norwich, so were the Conservative Government wrong to create so many in the 1990s? It is a simple question—yes or no?

Robert Neill: I do not think that they were wrong, but although I am always interested in history, I am not a prisoner of it. Since the 1990s local government has developed mature and sophisticated means, which were much less well recognised then, of working jointly across boundaries. It is also worth remembering that several issues, which must be tackled—interestingly, they arise in the case that we are considering—require cross-boundary working. For example, the ambitions for economic growth and development in both Exeter and Norwich involve developing important sites outside the city boundaries. I have been to both cities; I have not simply telephoned. Many of the development sites, which in Exeter stretch towards the airport, involve collaboration with the district councils, which will be the planning authorities, and with the county councils, which will be the highways authorities, in those areas.

Ernest Newman described extracts from Wagner operas as bleeding chunks, removed from "Tannhäuser" or "Parsifal" to be used at a concert. Taking a city out is extracting a bleeding chunk, disconnecting it from its hinterland. The proposals that Labour Members advocate would be the worst thing for the welfare of the citizens of both cities and counties.

Mr Bradshaw: Why, then, did all the business organisations in Exeter, which also reach outside Exeter, support the city's unitary bid?

Robert Neill: Because they had not realised the extent to which an incoming Conservative Government would encourage and facilitate joint working through creating local enterprise partnerships rather than remote economic

development associations, and grant the power and general competence to enable local authorities to set up special purpose vehicles. We can answer the arguments very well, without incurring the costs of reorganisation, which is a distraction at a difficult time.

I shall skim briefly through the other contributions out of courtesy. My hon. Friend the Member for Great Yarmouth (Brandon Lewis), like several other of my hon. Friends, forcefully made the point about the need to recognise links. To remove considerable elements of the tax base from the two counties and leave sparsely populated areas with a lower tax base but with, as is generally accepted, the higher costs of delivering the full range of services across rural populations, would significantly undermine their ability to deliver quality services in their areas. That is why the views of residents of the surrounding county areas must be taken into account just as much as those of the residents of the cities. The Opposition have been conveniently silent on that subject.

Mr Keith Simpson: On a very important point, I failed to catch the eye of the hon. Member for Derby North (Chris Williamson), but he gave the impression that there was a sharp distinction between the poverty-stricken urban deprivation of Norwich and the wealthy rest of Norfolk. I do not think that he has ever been there. That, of course, is the problem. Labour has no MPs in the area: the nearest one is in Luton. The people of King's Lynn, Great Yarmouth and Thetford would be amazed at such a caricature.

Robert Neill: My hon. Friend, who has lived in and around the county pretty much all his life, makes a very well-founded point. I know from when I used to practise as a lawyer in parts of East Anglia that there is real deprivation and difficulty in some of those villages—a fact that seems to be ignored.

That brings me neatly to thanking the hon. Member for Luton South (Gavin Shuker) for his contribution. It was much appreciated, particularly by Government Members. He confirmed that as a Luton MP, he was the nearest Labour MP to Norwich—a mere two and half hours away—which was a wonderful and graphic illustration of the abyss into which the Labour party has fallen. Next time, so that he can strengthen his arguments about Norwich rather than rely on a telephone canvass, we will all club together and get him a day-return fare. He can go there in person, which I hope will help.

Gavin Shuker: If the Government were not increasing rail fares by the retail prices index plus 3%, I would be delighted to go to Norwich.

Robert Neill: There is sometimes an argument for quitting while in front, but the truth is that the hon. Gentleman demonstrates the complete lack of touch that the Opposition have with people in that part of England, which is why they did not understand the point about rural deprivation that my hon. Friend the Member for Broadland (Mr Simpson) just made.

We would rather not have brought the Bill to the House, but it is necessary to undo a mess that was created by our predecessors for reasons of the grossest party venality. That must be put right. They pursued that process for no reason other than to pay off some party debts and settle some party scores. It lacked objectivity and intellectual coherence, so now perhaps the kindest thing to do is to lay it gently to rest.

Question put and agreed to.

Bill accordingly read a Second time.

LOCAL GOVERNMENT BILL [*LORDS*] (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Local Government Bill [*Lords*]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 4 November 2010.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed. (*Robert Neill.*)

Question agreed to.

Health Services (North-east London)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Dunne.)*

2.53 pm

Mike Gapes (Ilford South) (Lab/Co-op): It is a great pleasure to begin the Adjournment debate so early in the day. I rushed back to get here in time, and I am delighted that my constituency neighbour, the hon. Member for Ilford North (Mr Scott) is here, because the future of the NHS in outer north-east London is vital to both of us as constituency MPs, and to residents not only of the London borough of Redbridge, but residents of Barking and Dagenham, who all use the facilities at King George hospital, Ilford, which is in my constituency.

Those who follow *Hansard* closely may have a feeling that this is a case of déjà vu yet again. I introduced a debate in Westminster Hall in December 2006 on the future of King George hospital and a debate in the Chamber in November 2009 on the same subject, and I am here again today. Why is that? We had a consultation process—the misnamed Fit for the Future proposals—launched in 2006, with supposed options that would have led to the scrapping of the accident and emergency department and all elective work at King George hospital. Then we had an independent review by Professor George Alberti that said that the proposals would be clinically unsound. The people behind the proposals, including Heather O'Meara, the then chief executive of the Redbridge primary care trust, were forced to go back to the drawing board, and we thought that we had seen those proposals off. But in 2008-09, they came back. In autumn 2009, we discovered that the new proposals would lead to the loss not—this time—of all the elective work, but of the accident and emergency department, all children's surgery and all births at King George hospital.

The consultation on the original proposals was launched at a board meeting of the outer London primary care trusts held at Upton Park football ground—as a West Ham United season ticket holder, I feel very uncomfortable about this—in November 2009. Many glossy documents were published, and the whole exercise cost £800,000. One of those documents was called "Health for North-East London: Delivering high quality hospital health service for the people of north-east London". It said that it was a consultation document launched in November 2009 until—or so we were originally told—15 March 2010. That was subsequently extended to 22 March.

The document gave people all kinds of boxes to tick and options for the future. However, in the summary, on page 39 it had a list of improvements or reductions in services, with only two red crosses, which meant a reduction in services. One was

> "A & E, acute inpatient care for adults and children, complex planned surgery."

There will be a reduction in services because it is proposed to get rid of the services at King George hospital in the London borough of Redbridge. The other was maternity and birthing services. It was proposed that women could have their antenatal care in Ilford and their postnatal care in Ilford, but they could not actually give birth there.

I had some doubts about the whole consultation exercise, including the questions being asked and the selection of the subjects, and I refer hon. Members to the debate that I introduced in November 2009 for the details.

We went through the consultation exercise—I still believe, as I said at the time, that it was as free and fair as a rigged Afghan election—and people sent back their responses. I worked closely with my right hon. Friend the Member for Barking (Margaret Hodge) and my friend, the hon. Member for Ilford North, on a cross-party basis, and we went to see the then Health Minister, Mike O'Brien. He was an excellent Minister and is a sad loss to this House. He agreed to come and visit King George hospital with us at the end of the consultation. He said that he understood the deep concern and recognised that tens of thousands of people had signed petitions against these proposals because they had serious concerns about the implications for the future. He agreed to refer the matter to the independent reconfiguration panel of the NHS. Over the next few weeks, the panel looked into the matter, but decided that it was not appropriate for it to intervene. The panel said that the consultation conclusions should be reported and that the process should continue.

Fair enough, but in July the results of the consultation were revealed to us at a meeting, again at the West Ham United football ground. There were a number of different documents, one of which was a great big analysis by Ipsos MORI of all the boxes that had been ticked, all the replies that had been received and all the different statements that had been sent in by clinicians, individuals, local authorities, LINks—local involvement networks—and various other organisations. In summary, despite the rigged nature of the consultation and the fact that those responsible did not take into account the petitions that I and others had organised—they simply said that petitions had been received, but did not add the figures into the equation—the proposals for maternity and accident and emergency were rejected by the public, by a two-to-one majority among all the respondents in all the boroughs concerned. Indeed, if we add the petitions, the figure is 90% against the proposals.

I went along to the meeting, I sat there, and I had my say, eventually. We were told that no decisions would be taken at that meeting, that people would go away over the summer and work up proposals, and that there would be further consultation with "stakeholders"—obviously we are not talking about vegetarians, but I do not quite know about the term "stakeholders".

The Minister of State, Department of Health (Mr Simon Burns): It is a new Labour term.

Mike Gapes: It may be a new Labour term, but it is still being used by the current Government, so if the Minister can do something to stop that, I would be grateful.

There was a report back to "stakeholders" in September. I shall come to that in a moment, but let me first give a flavour of the responses that were received as a result of the whole exercise. For instance, the responses from the local authorities have been listed. The London borough of Redbridge sent in a clear response, which was a resolution adopted unanimously by the council that said:

> "having taken account of the need to provide a wide range of health services in Redbridge which are able to meet the needs of our growing and diverse population, we express our strong opposition

to the Health for North East London ONEL proposals to downgrade services at King George Hospital which would include (a) closure of the Accident and Emergency department (b) the ending of critical care support and acute surgical and medical treatment; (c) the ending of Children's surgery and (d) the ending of maternity delivery in the Borough".

That was the unanimous Redbridge position, supported by all parties and councillors among the 63 members of Redbridge council.

Barking and Dagenham council took a similar position, writing in its covering letter that it was "concerned about the proposals". In particular, it was concerned that Queen's hospital in Romford, which is the larger of the two hospitals in the Barking, Havering and Redbridge trust, would not be able to cope with the increased pressures, including the increased pressures on A and E, and maternity services. Interestingly, Waltham Forest council, which, in a previous incarnation in 2006, had come out in favour of the Fit for the Future proposals, said in 2010 that it would not comment on the A and E position. However, the council was critical that concerns about mental health had been neglected, saying that alternative services were needed. Waltham Forest council also said that Health for North East London needed to

"spell out what will be involved in reducing the number of A & Es from six to five especially in terms of impact on the remaining A & E departments",

adding that the proposals were not clear. Newham council said that it was not convinced by the proposals either:

"We also note the significant changes to service provision at King George's hospital. It will be necessary to closely monitor any resulting impact on our local Newham Hospital... Our expectation is that any increase in activity will be matched by appropriate resource levels."

That was a conditional position. Tower Hamlets did not want to comment on the proposal either. Among the borough councils—these are representative bodies, the people who represent the community—there was either a clear opposition or at least indifference or ambivalence.

What about other organisations? I have already mentioned the Newham trust. It said something very important in its documents:

"experience with the Gateway Surgical centre supports the model of locating elective care in a separate building but on the same site as acute provision, allowing easier access for staff."

The whole thrust of the proposals is to separate the two out, whereby the elective and the acute are in different places, yet this has been questioned even by one of the hospitals that could benefit by receiving the transferred patients.

The position adopted by other organisations is also significant. The Ipsos MORI documents make it clear that very strong views were expressed. The essence of my debate is captured by an important sentence, which states:

"The views opposing the reduction... from six to five hospitals providing accident and emergency, critical care and maternity services...came from organisations representing the public (elected local authorities and patient representative groups such as LINks)".

It continues:

"It should also be noted that some opposition was also expressed from representative groups associated with NHS staff, notably some Local Medical Committees."

Who, then, is in favour of these proposals? Not a lot of people, it seems. Within the local community in Redbridge, it is very hard to find anybody in favour of the proposals. Perhaps some people in other boroughs might be found, but it is certainly true that in Redbridge it is very hard to find anybody of any authority or any representative political role who is prepared to speak out.

Mr Lee Scott (Ilford North) (Con): Does my constituency neighbour agree that of the people who seem to be in favour of this proposal, none have actually lived in the area? Indeed, if I am not mistaken, some of the doctors involved in it were from Newham.

Mike Gapes: The clinical director behind these proposals is Dr Mike Gill, who is based at the Newham General hospital, and the general practitioners involved come from Waltham Forest. I think we can safely draw the conclusion that they have other interests in these matters.

On the proposals to end maternity services, I remind the House that we have had a maternity hospital in Ilford since 1926 and there are presently about 3,000 births a year at King George hospital. The Ipsos MORI summary of the conclusions states:

"On maternity services specifically, there were detailed submissions that made specific comments",

some of which are cited. It notes that the Royal College of Obstetricians and Gynaecologists—a not insignificant organisation—had

"changed its view of maternity service provision"

and cites the royal college as saying:

"The trend towards a rising birth rate in this area over the next decade cannot be ignored, which will have a direct bearing on the capacity of a large unit at Queen's Hospital."

It made the following recommendation:

"Both units (King George V Hospital and Queen's Hospital Romford) should be developed and sustained as fully-fledged maternity units."

Those, it said, should be accompanied by "midwife-led units". That was directly contrary to the position taken by Heather O'Meara and the outer north-east London organisation.

The document quoted the Royal College of Midwives as saying that the proposal for King George V Hospital and Queen's raised concerns about

"the ability to deliver the configuration of services in such a way as to not result in a high volume of births at Queen's Hospital."

It also said that there were

"challenges in relation to...capital investment and workforce planning...in achieving the recommendations."

The team of midwives from Barking, Havering and Redbridge University Hospitals NHS Trust, who work at the two hospitals, said:

"Geographically, there will be no obstetric unit in Redbridge to serve the women of this area. Residents of Barking will need to travel further for obstetric led care... Although women will have greater choice for low risk birth there will only be one option for hospital birth in three boroughs."

I could produce more quotations. There are so many in the document. But what has been the outcome? A meeting was organised on 30 September, of which neither the hon. Member for Ilford North nor I was given notice. I only received the information about it because one of my local councillors managed to get hold of the slide presentation. It was advertised as a "stakeholder discussion event", and was held not at West Ham

[Mike Gapes]

football ground but at the Holiday Inn, Newbury Park, in the constituency of my constituency neighbour, the hon. Member for Ilford North.

The "stakeholder discussion event" document is very interesting. Anyone reading it might assume that the recommendation was done and dusted. It contain presentations by Heather O'Meara, who is now the chief executive of all the outer north-east London primary care trusts; by Helen Brown, who works for NHS London; and by leading figures in the process. They spoke of "proposals".

There has been a consultation, which has revealed serious concern among professional organisations in the area, and strong opposition from the local authorities. It might be assumed by anyone believing that consultation and public involvement really matter that something would have changed. On Friday morning, my neighbour and I had a meeting with Heather O'Meara, who described the outcome of the consultation as "some caveats". She also said that the stakeholder discussion event had been based on clinical working groups where the ideas had been tested, and that there had been consultation with GPs and a huge number of public events. I had not noticed those huge events. Perhaps they happened in big places.

Mr Scott: Is it not fascinating that neither of the two local Members of Parliament most closely affected by the proposals was informed about the events and consultation that were allegedly happening, or was invited to take part? Is that not slightly strange? It might give us a complex: we might imagine that they did not want us there.

Mike Gapes: Why on earth could that be? I do not know.

On Friday morning, we discovered that the stakeholder discussion document and other proposals would be put before a meeting on 15 December of the joint committee of primary care trusts for outer north-east London. We asked questions. We asked what the process is before then. We asked whether there will be a role for the health overview and scrutiny committees of the local councils—we were told that there would not be. We asked what would happen to the role of the London region NHS and we were told that the meeting on 15 December will make the decision. So we asked who is to be consulted about these proposals before that meeting. That is when the statements that have been made and the positions of the Minister were quoted to us; what we were told is in line with the guidance from the Government since the election.

The Minister wrote to me on 12 October about a complaint I had received from a constituent. He stated:

> "In May, the Secretary of State for Health announced a review of all service change proposals. He has outlined new, strengthened criteria that he expects decisions on NHS service changes to meet...proposals must have support from GP commissioners; arrangements for public and patient engagement, including local authorities, must be further strengthened; there must be greater clarity about the clinical evidence base underpinning proposals; and proposals must take into account the need to develop and support patient choice."

Let us leave aside the last two of those. We have been given a clear view from our local authorities about the original proposals and we have been given a clear view of the public attitude to those proposals. What we have now been given is a slight tweaking of the consultation document. Three or four minor modifications have been made to the proposals and, as a result, those involved now intend to go ahead with the essence of the original proposals.

To confirm what I am saying, I wish to quote from a document produced by Helen Brown as part of the stakeholder consultation. On page 48 of the stakeholder presentation, under the title "Activity and capacity", is a table describing the

> "Proposed shift of activity to hospital sites".

The figure for the row headed "Non-elective", which relates to people admitted to the accident and emergency department for King George hospital, is minus 25,937 or minus 100%. That hospital's figure for "A&E" is minus 59,565, or 100%, and its figure for births is minus 2,910, or minus 100%. Its elective activity is increasing, with some 18,000 being transferred from the Queen's hospital, so that is a partial shift. Originally this was to be limited, but now some facilities are being moved in. However, the essence of the proposals—to get rid of the A and E department, the children's surgery and births at the King George hospital site—remains.

So what does this mean? It means that the consultation that has been engaged in at great cost—the public stakeholder engagement—is a sham, a charade and a waste of money. The people behind the proposals, who tried and failed in 2006, and who tried in 2009 only to have this dragged out for longer, are now absolutely determined. This is a juggernaut being driven by unelected people in the NHS bureaucracy. They are disregarding the views of the local community and disregarding the Members of Parliament and the local councillors, and they are not going to be stopped because as far as they are concerned they are right.

My neighbour, the hon. Member for Ilford North, will doubtless wish to comment on the fact that on Friday morning we got into the essence of the issue, when we heard the argument that clinicians know best. In which case, what is the point of pretending that a public consultation is being carried out? What happens if the consultation comes up with a conclusion that these people do not like? I recall the old quote of Bertolt Brecht, "The electorate has made the wrong decision, so change the electorate." Joseph Stalin's 1936 constitution was adopted and the result was announced the day before the referendum was held in the Soviet Union. Are we moving that way with certain people in the professions believing that they know best, disregarding the wishes of the community?

King George hospital is not perfect. We have a lot of problems, but we also have a lot of problems with the other hospital in the trust, Queen's hospital. The two together have a big ongoing deficit that they have had for five years and, despite promises to get rid of it, they have not done so. There is a real difficulty and I believe that an element of this is financially driven. As I pointed out in 2009, getting rid of the A and E at Newham general hospital would save £28 million a year, whereas getting rid of the A and E at King George hospital—according to the figures provided by those behind the proposals, not mine—would save only £19 million. Nevertheless, the decision has been made to go ahead with getting rid of the A and E at King George.

We are facing a very important time. We need a decision that is in the interests of the people, not in the interests of the people who run the bureaucracy of the national health service. There are strong arguments, but I want to finish with a quotation of the Prime Minister. In answer to a question yesterday from my hon. Friend the Member for Ealing, Southall (Mr Sharma), the Prime Minister said:

"The whole point of the reform of the NHS is to put power in the hands of patients and doctors, so decisions about hospitals will be made on the basis of what local people want". —[*Official Report*, 20 October 2010; Vol. 516, c. 947.]

Interestingly, last Friday morning we asked, "How will the doctors be consulted?" We were told, "We will take soundings," so we asked, "How do you take soundings? Is there a ballot? Do the GPs vote on whether they agree to the proposals?" We were told, "No, we will take soundings of health practices." So we asked, "What is a health practice?" My GP is part of a health centre and there are eight or nine GPs. We were told that each practice would have one vote. So a single-handed GP could be equivalent to eight or 10 GPs in a group practice or health centre. That is a very strange way to find something out. It is perhaps like the Hong Kong Legislative Council or the estates in pre-revolutionary France, but if we are talking—as the Prime Minister said—about decisions made on the basis of what local people want, we need to be clearer about who is making those decisions.

I fear that at the meeting on 15 December these proposals will be pushed through regardless, and the running down of the accident and emergency—which is already beginning, with salami-slicing—and of the maternity services will start, so that in future no one will be born in Ilford except in the back of a car or taxi rushing them to the Queen's hospital in Romford. People who need to go to the local hospital will not have that hospital facility, because they will have to go several miles away.

These matters are so important to my community and my constituents that I hope that I will not have to come back to this House for a fourth time with a debate on the future of my hospital—but if necessary I will do so. I hope that when the Minister responds he will reassure me that this process will not be allowed to be driven in the interests of people who are disregarding the wishes of the local community and their elected representatives.

3.24 pm

Mr Lee Scott (Ilford North) (Con): I congratulate my constituency neighbour, the hon. Member for Ilford South (Mike Gapes), on securing the debate. We must both be feeling déjà vu, because we have found ourselves on many previous occasions debating and saying exactly the same things about this issue. However, the situation now is totally different.

I will try not to repeat anything that the hon. Gentleman has said, although the events of last Friday were a little surreal, to say the least. We sat down and were told about all the consultation that had been taking place, which was surprising news to us. I had received an invitation that was posted the day after the meeting had taken place—so my hosts were obviously desperate for me to be there! I realise that they might have been unhappy with me because of my views about Redbridge NHS, but not inviting me to the meeting until after it has happened was, perhaps, a step too far. The hon. Gentleman has compared that to a rigged Afghani election, but I think that is being unkind to rigged Afghani elections; it was far worse than that.

This House has been presented with a petition of about 9,000 signatures from my constituents in Ilford North and another from the hon. Gentleman that brings the total of signatures to about 27,000. Our local paper, the *Ilford Recorder*, has also presented petitions to Downing street, of a further 16,000 signatures. In my past five and half years as Member of Parliament for Ilford North, not once has anyone e-mailed, phoned, come to my surgery or written to me to say, "We think it would be a wonderful idea to carry out these proposals," and all these thousands of people are opposed to it.

I shall now turn to the process. Two weeks ago I received a phone call from the *Ilford Recorder* asking what I thought of these proposals, which, as the hon. Gentleman said, are virtually identical to proposals we have previously seen on various occasions over the past number of years. I said that these proposals could not be proposals because they had not undergone any independent review, which we had clearly said would take place if we became the party of government and which was clearly stated during the last days of the previous Government. Miraculously, by the time the press phoned Redbridge NHS back, they were no longer proposals; they were now just a possibility or an option—although, funnily enough, I did not see too many other options in the document. Like the hon. Gentleman, I found that my copy of the document turned up three weeks after the meeting—which I admit was not held at West Ham United football ground. It turned up in my office late—after the meeting—so I could not possibly have commented on any of its contents as I had not known about them at the time of the meeting.

It seems to me that the previous leader of Redbridge NHS, who is now in a much more exalted position, had decided that, come rain or shine, she wanted to push through the proposals. In the past, both the hon. Gentleman and I as the local Members of Parliament were called in for a meeting or a briefing separately, not together. I should say here that even though we clearly disagree on a number of political matters, it is not possible to put a cigarette paper between us on this matter; we are in total agreement on it. Those at Redbridge NHS have, without any question, tried to change that by briefing us separately. The people briefing us have come from Newham and a practice that is serviced by Waltham Forest, so would obviously not be affected by any changes at King George hospital. They would say what a wonderful idea it was, yet in all the conversations and meetings I have had, not one GP has said that; they have all said that they are concerned about its impact.

If, God forbid, someone were to be involved in an accident or have a heart attack in my constituency, they could die before they got to Queen's hospital accident and emergency unit. I am not over-dramatising; that would sometimes happen, and that is why there has been such an outcry against this plan from the whole of Redbridge—not from one part of it or from one political party, but from the whole of Redbridge.

I go back to one freezing cold day last year when I, the hon. Member for Ilford South and hundreds of others marched through sleet to protest against proposed

[Mr Lee Scott]

closures to the accident and emergency, maternity and other services at King George hospital. We did the same again—admittedly in much more clement weather—this year. The message was loud and clear: the results of this lack of consultation that are going forward to the meetings on 15 December are absolutely null and void and do not meet any of the criteria, because there was no proper consultation.

I and the hon. Member for Ilford South have held meetings in our respective constituencies and invited members from Redbridge NHS. I want to state clearly that in no shape or form were they political meetings, because they were open to the general public and I have no idea of the allegiances of those who attended them. None the less, the message was loud and clear: we need to maintain our accident and emergency and maternity services at King George hospital. They cannot be closed by stealth. They cannot be salami-sliced and closed. They must remain.

I would like to thank my hon. Friends the Members for Hornchurch and Upminster (Angela Watkinson) and for Romford (Andrew Rosindell) for their help and support. Their areas are serviced by Queen's hospital. People might not think, because that hospital is not under threat, that the proposals would affect my hon. Friends' areas, but of course it would, because the pressure of 250,000 extra people using Queen's hospital will have a knock-on effect for their constituents.

I do not intend to detain the House further. However, like the hon. Member for Ilford South, I tell the Minister that this consultation is wrong. If those concerned try to railroad through the suggested closures on December 15, we will resist.

3.32 pm

The Minister of State, Department of Health (Mr Simon Burns): I congratulate the hon. Member for Ilford South (Mike Gapes) on securing this debate. I know from previous debates he has secured on this subject how strongly he feels about it—and rightly so—as a constituency Member of Parliament. I also congratulate my hon. Friend the Member for Ilford North (Mr Scott) on his contribution. He has worked for a long time with the hon. Member for Ilford South in representing the interests of their constituents. I know that the quality of service provided by the local NHS is very important to both hon. Members and their constituents, and I assure them that I share their commitment to achieving the best possible health care for the people of north-east London. I also praise the hard work and dedication shown by NHS staff in north-east London. Their jobs are not always easy, but they always strive to provide the best possible care for patients.

Today, the NHS has some of the best people and facilities in the world, but when it comes to what is really important—outcomes for patients—we lag behind many other countries. The Government's ambition is clear: for health outcomes in this country to be among the best in the world. Just over three months ago, we published the White Paper "Liberating the NHS", showing how we will achieve the real gains. We will liberate clinicians from top-down targets and endless micro-management by politicians and civil servants. It is an ambitious plan for reform focused on three key aims: the first is to put patients first. Patients should feel that no decision is made about them without them. Secondly, we want to focus on outcomes, not inputs or processes, and to build a culture of evidence and evaluation, to ensure that health care uses innovation and evidence to provide quality care and is accountable for improving outcomes. Thirdly, to deliver the best care, we must empower NHS staff, whose responsibility it is to give that care. Decision making must take place close to patients, so that clinical decision making can be better combined with the use of resources. GPs already influence the commissioning of decisions by the way in which they manage and refer patients, and by deciding which medicines to prescribe and which treatments. They decide what is best for their patients based on the options available and on their clinical judgment of what would be best for them.

We are asking GPs to take the next natural step by giving the responsibility for designing, commissioning and paying for local services to groups of GP practices. This will ensure that decisions are clinically led, involving all other health care professionals, hospital consultants, nurses and social care workers in order to design services that put patients first and are focused on improving clinical outcomes.

GP commissioning also opens up the potential for working closely with local authorities to commission services jointly—even for the pooling of budgets to tackle local priorities jointly. For example, by working closely with local authority and social care providers, far more can be done to help older people or those with a disability to live independently, reducing their reliance on the NHS by avoiding things such as hospital admissions.

My right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith) recently opened the Macmillan information and support centre at Whipps Cross hospital in north-east London. The centre is available free to anyone affected by cancer and offers confidential advice and support. Such partnerships between the NHS and the third sector take exactly the kind of innovative and exciting approach to health care that we are actively encouraging.

Before addressing the specific concerns of the hon. Gentleman and my hon. Friend, I should set out the wider context of local health care reform. Thanks to the NHS, most of us will enjoy better health and longer lives than our parents and our grandparents. That is a tremendous achievement, as I am sure both hon. Members recognise, but, as the NHS effects great change on the health of this country, so the changing nature of the population must transform the NHS.

An ageing population is just one of the many challenges to which the NHS must adapt over time. Every day, new medicines and treatments are developed to meet our changing lifestyles and expectations. We know that change can sometimes be unsettling, but we also understand that the NHS needs to evolve—to move with the times. All we ask is for the NHS to make collective, informed and local decisions that improve outcomes for patients.

On 15 December a joint committee of primary care trusts will make some important decisions about the future of King George hospital and about health services in north-east London more generally. I am confident

that those decisions will be made by those best qualified to make them, based on a solid foundation of clinical evidence and local engagement.

Mike Gapes *rose—*

Mr Burns: I thought that the hon. Gentleman might want to intervene at this point.

Mike Gapes: How are the views of elected local authorities, of elected Members of Parliament and of the community, as expressed even in that dubious consultation exercise, to be taken fully into consideration against an NHS management bureaucracy who seem determined to carry on regardless? Is 15 December the date of the final decision? Is there no other way in which we the public can have our say?

Mr Burns: I am grateful to the hon. Gentleman for that intervention, because I fully understand how strongly he feels about the issue—what he recognises, from his constituents' point of view, as a potential problem—and how important it is to get the matter right. I shall not duck the question, but will the hon. Gentleman bear with me a little so that I can put it in context? I shall then respond to his intervention and answer his specific question about whether 15 December is the end of the road, or whether any other avenues might be open to him and to my hon. Friend the Member for Ilford North.

If the hon. Gentleman will allow me, I will describe how we reached this point. Back in February 2009, as he mentioned, the NHS in north-east London began to think about how it could better use its resources to provide safe, modern health care. The NHS in north-east London as a whole faces considerable challenges. Health outcomes and key health indicators are poor: people in the area have lower than average life expectancy and higher rates of infant death. The NHS recognised that it needed to improve services to meet those challenges head-on. For example, it found that long-term conditions could be managed better: instead of being admitted unnecessarily to hospital, patients could be treated in the community, closer to their homes.

One of the solutions suggested was to turn two of the existing hospital sites—the Royal London and Queen's—into major acute hospitals and for them to become centres of excellence. Doctors can achieve that level of quality only if they see high numbers of complex cases, and patients can receive the best care only when surrounded by expert clinicians. To reach that critical mass of doctors and patients, specialist services would be consolidated into the two major acute hospitals, not spread thinly across each hospital in the region. The Royal London and Queen's would be supported by three local hospitals, all with accident and emergency departments. The final site—King George hospital, which has been the main focus of this debate—would also play a vital role, taking a lead in providing primary, community and urgent care.

King George hospital would receive enhanced children's services. An urgent care centre at the hospital would operate around the clock, the task being to manage as many patients as possible outside A and E services. Access and continuity of care for minor injuries and illnesses would be significantly improved. I know that there has been concern about rumours that the local NHS is planning to close King George hospital. I can categorically reassure the hon. Gentleman and my hon. Friend that that rumour is not true. Among the substantial number of services proposed to stay or to be moved to King George hospital was a recommendation that the hospital become a centre of excellence for planned surgery.

Barking, Havering and Redbridge University Hospitals NHS Trust has proposed the transfer of all breast surgery from Queen's to King George. That will mean that some women who currently have treatment at King George but then have to be transferred to Queen's for surgery will have the whole procedure carried out under one roof, which I am sure the hon. Gentleman and my hon. Friend will agree is an infinitely preferable and superior sequence of treatment to the present one. Those women will not have to go through the trauma and inconvenience of having to be moved to another hospital site for their surgery. In addition, local clinicians have identified a further 20,000 procedures a year that they believe would benefit from being provided solely at King George hospital.

Of the proposals made in north-east London, I know the hon. Member for Ilford South is most concerned about the potential loss of maternity and A and E services from King George hospital. I hope to be able to reassure him that, whatever the outcome of the meeting in December, nationally this Government remain committed to maternity and A and E services. When somebody walks through the doors of an A and E department, an urgent care centre or a walk-in centre, what sorts of service should they expect? To which facility should they go in the first place for the most appropriate care for the condition from which they are suffering? Part of the anger that we often see when the local NHS suggests replacing A and E with other, more appropriate services is due to a certain degree of confusion about what those services provide. The Government are committed to clarifying that, and work is already under way to standardise which services can be expected in various facilities. As well as improving A and E services, we want to improve urgent care radically. We are committed to providing universal access to high-quality urgent care 24 hours a day, 365 days a year. Whatever the need, place or time, patients should be able to find the care they need. That is what part of our reforms in A and E will achieve.

The Government are also determined to drive forward improvements in maternity and newborn services so that women and their partners have access to local services and so that children have the best start in life. The safety of mother and baby is paramount. It is fundamental to safe, high-quality maternity care that a full range of services must be available to all women, whatever their medical and social circumstances. Services must be as near to home as possible, depending on the complexity of needs, with facilities and expertise available to provide optimum care.

Mike Gapes: I know that the Government are committed to improving the quality of care, as the previous Government were, but I have a large number of young families in my constituency and they will be forced to go several miles for the births of their children at Queen's hospital rather than going to a hospital in the community where they live, as people in Ilford have done for 80-odd

[Mike Gapes]

years. Is there a national policy that births can be allowed only at sites with a coterminous accident and emergency department, or could the proposals be reconsidered? One of the arguments in the relevant documents is that maternity services have to be moved because the A and E is being moved. Is that national policy?

Mr Burns: It is not national policy that if there is an A and E department there automatically has to be a maternity facility by its side. If one strips out the whole area of safety and quality of care, which is vital, one realises that the guiding rule is that maternity services are provided where they are relevant to the local community's needs. It is about having the best siting relevant to the community's needs. Clearly, however, there cannot, for a variety of reasons, be a maternity ward in every hospital in the country. Where they are sited will be determined by need and by the wishes of local communities. Once the reforms are in place, it will also be up to commissioners to decide where to site maternity units.

Mike Gapes: The Minister has heard me quote the Royal College of Obstetricians and Gynaecologists, which takes the strong view that there should be maternity facilities and births at both the Queen's and King George hospitals. I feel very strongly about this. There is clearly a difference of opinion between the people in NHS London, who are driving the change, and the people who deal with obstetrics and gynaecology—the experts—about what is necessary. Leaving aside the democratic arguments, the views of the people in the specialist royal college have not been taken into account.

Mr Burns: As with any proposals for reconfiguration anywhere, a range of views will be fed in, including those of the relevant royal colleges, GPs, clinicians, members of the public and other interested parties, and will be considered as part of the consultation process before a decision is made. I am going to come to the whole issue of consultations, on which the hon. Gentleman rightly has strong views, because I want to clarify the situation and, as I said earlier, I want to give him some answers about the options that might be open to him after 15 December.

In pursuit of true local backing for the proposals in the hon. Gentleman's area, the local NHS has already started a debate about them. To date, it has talked through the issues with GPs, councillors, medical committees, national bodies and local patient representatives. I was going to say that perhaps he will recognise this from his own experience, as I am assured that the NHS has made every effort to keep him informed and to listen to his concerns. However, having listened to what he and my hon. Friend the Member for Ilford North said, it would seem that that is partly the case and there may have been certain slip-ups: for example, posting a letter the day after a meeting was held. I cannot confirm or deny that because I am not party to the information, but my hon. Friend has put it on the record, and if it did indeed happen that is somewhat unfortunate.

The hon. Member for Ilford South submitted a petition on behalf of his constituents, and the local NHS has confirmed that that will be taken into account. However, it asks different questions from those in the official consultation, which slightly skews the point that he made about it. I understand that one of the questions was: "Do you support the closing of King George hospital?" I suspect that in the case of the vast majority of people signing it, the answer would be no, they do not support it. The trouble is that there is not, never has been and will not be a proposal to close the hospital. I hope that he therefore understands that the question is not relevant to the consultation on the reconfiguration of services.

Mike Gapes: I do not know what advice the Minister has had from his officials. I do not want to get into a long textual discussion, but he should get the full wording of the petition that I submitted. I have to admit that there were several petitions from different organisations and individuals, but mine referred specifically to A and E, maternity and children's services. It may have been headed "Save King George hospital", "I support Mike Gapes's campaign", or whatever, but the wording specifically referred to those issues.

Mr Burns: I agree that we do not need to get into to-ing and fro-ing about what exactly was written. My point was that some of the questions—I am not saying all of them—on some of the petitions were not directly relevant to what was being consulted on. Having said that, it has been recognised that they will be considered as part of the consultation process.

Mr Scott: My own petition did not say anything like "Lee Scott's petition"; it talked purely about the proposals to close A and E and maternity services, and made no reference to anything else. I therefore trust that those 8,000 names will also be taken into account.

Mr Burns: I have no doubt that they will, as part of the ongoing consultation and evaluation of responses to the consultation process.

Before 15 December, the London strategic health authority will assess north-east London's readiness against the four tests that my right hon. Friend the Secretary of State introduced in May this year to ensure more local engagement in the proposed reconfigurations of services throughout the country. In certain previous consultations, there was a long-held view that although lip service was paid to local people and medical practitioners—clinicians and GPs—the views of the local community did not matter because, in effect, a decision had been taken at the launch and things would end up in exactly the same state at the end of the process.

To give greater credence and importance to local views, my right hon. Friend the Secretary of State announced his changes to the criteria that had to be conformed with for reconfigurations to take place, to empower people to take part in the discussions and to ensure that their views would be fully considered before decisions were taken. To achieve that, he has said that reconfigurations and consultation processes that are already in progress will have to be checked against the revised and strengthened criteria to ensure that they

have been carried out under the new format. I can assure the hon. Member for Ilford South that that will happen prior to the meeting on 15 December.

Mike Gapes: Will the Minister clarify who will do that? Will it be the person in the London NHS who is behind the proposals, or will it be somebody independent of the proposals?

Mr Burns: It will be done by the national health service in London. People could be tempted to shout "Foul" if they do not agree with the decision, but that does not mean to say that it necessarily is a foul. In the case of a straightforward matter such as checking whether the consultation process has taken place under the new guidelines, we have to accept the professionalism of the people carrying out the job, and trust that they will do it properly. If it emerged that the guidelines had not been abided by in any way—I hasten to add that I make this point illustratively, and I am not saying that it will—the hon. Gentleman would be extremely happy. If it were found that they had been abided by, he would need to have an open mind, and not automatically say that things had not been done properly.

While the discussion in north-east London continues, the clinical working groups have already made changes to their previous recommendations. If the hon. Gentleman will allow me, I will give him some examples. From talking to parents it was obvious that many were anxious about the prospect of travelling long distances to get treatment for their children. Clinicians needed to find a way to reduce the chance of that happening, and now it is proposed that only children needing specialist or high-dependency care will be transported to specialist centres. That means that more children will be treated locally than was originally anticipated, but they will still have access to specialist care when they need it.

Women told the NHS that they wanted more midwife-led care. As a direct result, a study has been commissioned, working with local mothers and mothers-to-be, to find out what choice really means to them. Clinicians are working up plans for midwifery-led units across the region as we speak.

Some residents expressed concern about having no A and E at King George hospital. Doctors are still convinced that clinically, any small increases in travel time will be more than compensated for by having better, safer, faster care, but they have recommended changes to the original proposals for urgent care at the hospital. Now, as well as the 24/7 urgent care centre originally proposed, a 24/7 short stay assessment unit is being recommended. It would be staffed by a team of skilled clinicians with expertise in assessment and treatment as well as in emergency medicine. The service would offer facilities for longer periods of observation, assessment and treatment, including access to a range of tests not currently available in primary care and specialist advice from hospital clinicians. Staff would work closely with community health and social care services, including mental health services, so that as many patients as possible could be cared for in the community without recourse to a hospital admission.

The NHS in north-east London is also working closely with Transport for London to ensure a good bus service between Queen's hospital and King George hospital. I am sure that the hon. Gentleman agrees that that is vital to help many of his constituents who may need to use such a service.

I believe that discussions with the local community have already made a positive impact. The local NHS is now truly listening to GPs and consequently changing its plans. That reflects the improvements that my right hon. Friend the Secretary of State introduced to engage local communities with reconfigurations.

Mike Gapes: Will the Minister address my point about consulting GPs? How will their views be taken into consideration?

Mr Burns: I am grateful to the hon. Gentleman for reminding me of that. My understanding is that the "health for north east London" programme team is prioritising engagement with GP practices whose patients would be most affected by the reconfiguration proposals, and GPs who are currently likely to be leaders in the commissioning consortiums that will flow from the NHS reforms.

Mike Gapes *rose—*

Mr Burns: I will give way for the last time.

Mike Gapes: We are considering an important point. The letter from the Minister, the May proposals and the Prime Minister's remarks yesterday place great emphasis on GPs' views and wishes. Yet what we were told on Friday has made me very worried. Which GPs are we talking about—the lead person in a commissioning consortium, single-handed practitioners joining together and outvoting a group of GPs in a health centre, or what? There is no provision for a ballot. What is the process? People can get whatever result they want if they skew the process. My fear is that the process will be discredited unless it is seen to have democratic legitimacy. I suspect that we will have a big problem, because the views of certain GPs will be taken into account and those of others will not.

Mr Burns: I will confirm what I said before the hon. Gentleman's intervention. The consultation will prioritise engagement with GP practices whose patients would be most affected by the reconfiguration. If the hon. Gentleman is saying that there should be a ballot of GPs, I do not agree. There should be engagement, discussion and GPs contributing to any reconfiguration proposals by meeting people who undertake the consultation process to make known their views and their preferences—the pros and cons that they envisage—but I do not think that a ballot is either feasible or necessary. To take his idea to its logical conclusion, why restrict a ballot to GPs? Why not have a ballot of social workers or community nurses? That sort of engagement is unnecessary when there are other perfectly satisfactory forms of engaging.

If the hon. Gentleman supported what was happening, he would be happy with the procedures.

Mike Gapes: No.

Mr Burns: I think that he would. Let me point out gently and tactfully that my right hon. Friend the Secretary of State expressly introduced criteria for the engagement of GPs, clinicians and other interested parties because of their concern that they did not have enough ownership of consultation processes. I have to

[Mr Simon Burns]

say that until 6 May, for 13 years, we were not the Government—and that it was we who looked at the position afresh and recognised the concerns throughout the country about reconfigurations. By introducing his criteria, my right hon. Friend the Secretary of State responded to the concerns of local communities that their views were not being properly considered. This Government, in a very short time—within two and a half weeks, I think—took decisive action to give greater power and ownership to those groups to contribute to consultation processes.

On local scrutiny, which featured significantly in the hon. Gentleman's speech, I fully recognise that there are considerable public concerns about the proposals for north-east London. In the light of those, the Redbridge overview and scrutiny committee referred the case to the previous Health Secretary, the right hon. Member for Leigh (Andy Burnham), in January 2010. He asked the independent reconfiguration panel for advice. In its response, the panel concluded that a full review was unnecessary. In July 2010 my right hon. Friend the current Health Secretary accepted the panel's recommendation that due process by way of public consultation and formal engagement should be allowed to continue—a process that has not yet come to an end, as the hon. Gentleman knows.

However, as I said, we are determined that local voices will be properly heard, and we expect any concerns to be taken extremely seriously. I shall lay out again for the hon. Gentleman the critical tests that have been applied in the consultation process in the past two or three months, and that will be applied until the consultation's conclusion. First, the proposals should have the support of GP commissioners; secondly, arrangements for public-patient engagement, including local authorities, should be further strengthened; thirdly, there should be greater clarity about clinical evidence underpinning any proposals; and fourthly, any proposals should take into account the need to develop and support patient choice.

Given the complexity and scale of the challenge in London, the Secretary of State, as the hon. Gentleman knows, called a halt to existing clinical strategies and asked the NHS to look at its plans afresh. That means that north-east London now has an opportunity—it has had one for some time—to have a frank and open discussion with GPs, clinicians, councils and patients on how their health services can change for the better. I believe that if that process is managed well, any changes made will lead to better health care for people across north-east London, including the hon. Gentleman's constituents.

As was said in the debate, the question of whether those four criteria are fully met will be considered prior to the meeting on 15 December. Providing it is seen that those criteria have been met, the meeting will go ahead, and a decision will be taken. What happens if the decision is not popular with a number of people? I suspect, from what the hon. Gentleman said, that it will not be. Unless I misheard him, he said that the overview and scrutiny committee would have no opportunity to look at the proposal, reach a decision on it and write to the Health Secretary if necessary. I am not quite sure why he said that.

Mike Gapes: My understanding of what we were told at the meeting on Friday is that the decision on 15 December will be the final decision, subject only to the Secretary of State, and that there was no intermediate process. If that is inaccurate, I would be delighted, but that was my impression from what we were told on Friday. The hon. Member for Ilford North (Mr Scott) will confirm that.

Mr Burns: I am interested to hear what the hon. Gentleman was told on Friday, and I hope that I will be able to delight him. My understanding is that after the meeting on 15 December, the OSC can look at the decision that has been made. If it is not convinced that it is the right decision, it can contact the Secretary of State. That is a step forward from what the hon. Gentleman was told at his meeting on Friday. We cannot anticipate the decision to be taken on 15 December, because that would be irresponsible, but I have confirmed that he will have some further opportunity—if warranted by the OSC's decision, because we cannot prejudge that either—to have the decision revisited.

As I have said, we must not prejudge the outcome of the meeting of the joint PCTs on 15 December, when local NHS leaders will gather to make a decision that will dictate the future of health services in north-east London. I believe—even if I do not altogether carry the hon. Gentleman with me—that that decision will, rightly, be made locally. I understand that these issues arouse strong feelings: they involve difficult decisions about how resources should be used to achieve the best care for patients, which must always be the priority for, and guiding force behind, any reconfiguration or provision of health care.

Similarly, the NHS must continue to develop its plans for the future, and it must do so by giving local people and GPs a far greater say. Obviously, we will have to wait to hear the judgment on how the consultation has been carried out in relation to the four criteria laid down by the Secretary of State, but we need to create an NHS run by empowered professionals free of the shackles of central Government. The NHS has received massive investment, but it is drowning in bureaucracy. We will cut the red tape and sweep it away, letting NHS professionals organise themselves locally. It is a measure of the importance that we afford the NHS and the future health of this nation that its budget will be protected, as was confirmed in the announcement of the comprehensive spending review by my right hon. Friend the Chancellor yesterday.

The hon. Gentleman must await the decision on 15 December. I am convinced that what will be done throughout the health service, especially in the case of difficult reconfigurations, will have as its guiding priority the desire to get the highest-quality health care for all our constituents.

Question put and agreed to.

4.13 pm

House adjourned.

House of Commons

Friday 22 October 2010

The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

John McDonnell (Hayes and Harlington) (Lab): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

Question negatived.

Lawful Industrial Action (Minor Errors) Bill

Second Reading

9.34 am

John McDonnell (Hayes and Harlington) (Lab): I beg to move, That the Bill be now read a Second time.

This measure is the first private Member's Bill of the new Parliament, and several other excellent Bills, which I mainly support, are also listed for today. The previous Parliament lost the confidence of the nation as a result of the expenses scandal, but also through the way in which we dealt with our business. Private Members' Bills were used almost as toys, and talked out when there was real legislation to be made. I hope that in the new Parliament, with so many new Members, we will treat private Members' Bills differently—in the right manner for addressing serious issues, with proper discussion. On that basis, I urge all Members to consider matters carefully this morning and allow a Division on the Second Reading of each Bill so that the will of the House can be tested. If there are disagreements, they can be ironed out in Committee and then at our final opportunity on Report.

Mr Peter Bone (Wellingborough) (Con): Will the hon. Gentleman give way?

John McDonnell: One of the techniques for delaying Bills was intervention after intervention. I am no longer willing to participate in that charade. I will take two or three interventions, but it negates the purpose of the House if we allow interventions that simply delay proper democratic decision making.

Mr Bone: I agree entirely with the hon. Gentleman's case and I think that reform is needed. However, if we cannot have a debate before we vote, does he believe that a Bill should still go into Committee?

John McDonnell: I understand the hon. Gentleman's point. He has intervened very thoughtfully several times in debates on legislation. I hope that we can structure our business co-operatively to allow debate on all measures on Second Reading. Putting away childish toys and the puerile behaviour that has occurred when considering private Members' Bills in the past would show that we had learned some lessons from the previous Parliament and be a sign of maturity.

The Bill deals with trade union rights and the rights of employers. The measure is extremely small—a couple of clauses—but it could have a significant impact on restoring basic civil liberties and changing the climate of industrial relations in this country. Private Members' Bills are intended for such small reforms. I shall give some background and speak for a short time; then we can hopefully have a proper debate and move to a Division.

Trade unions have existed in this country for more than two centuries. Statements from every political party in the House support and respect the role of trade unions in representing their members. One of their main roles is collective bargaining on behalf of their members on pay, conditions at work, health and safety and other matters.

However, part of collective bargaining is also unions' ability to take industrial action when negotiations fail. That can take many forms: work to rule, an overtime ban and, yes, on occasions, when everything goes wrong, as a very last resort, the right to withdraw the labour of trade unionists. There is no explicit right to strike in British legislation—there never has been. If a trade union induces its members to take industrial action, it is still a tort in civil law and can therefore be injuncted against.

However, since the Taff Vale judgment and the trade union legislation in 1906, trade unions gained immunity from legal action being taken against them for tort, which was usually the breaking of a contract. That legislation lasted in its general form until the 1980s. However, in the 1980s and 1990s, 10 successive pieces of legislation attached conditions to that immunity. I was around at the time and heard the debates in this House, and I have looked over them again. The Conservative Government's stated intention at that time was to ensure and secure the democratic rights of individual trade unionists to participate in decisions on industrial action and to be heard.

That was the intention of the original legislation. It meant that a union was protected in law only if it first conducted a secret postal ballot that was independently scrutinised. Other conditions were added later, including that the employer be notified in detail of the balloting procedure and who was to be balloted, and notified of the outcome. The employer was then to be given a period of notice before any industrial action.

As I said, there were 10 pieces of trade union legislation in the '80s and '90s that apply conditions to that immunity. For employer and trade union alike, that created a complex and extremely arduous process that trade unions had to abide by if they wished to take industrial action. The code of practice on industrial ballots and notice to employers was developed—it is dear to every trade unionist's heart—and approved by the House in 1990. It was revised in '91 and again in '94, and added to in 2000. The code statutorily required trade unions to provide, for example, the exact number of trade union members who were to be balloted, details of their workplaces and the categories of those to be balloted. It also required the union to keep meticulous records of the members' addresses, jobs and workplaces.

[John McDonnell]

That is complicated in itself, but over time, with different industrial practices, particularly the sub-division of companies, outsourcing and privatisation, it became increasingly so. There is now a requirement to produce a matrix of information, which is onerous and complex. Nevertheless, unions have sought to abide by the code, as best they can, to ensure that they retain their immunity. The legislation even goes into the details of what will be written on the ballot paper and how the result is reported. Failure to satisfy any of the conditions renders the union open to injunction.

The House realised that it was increasing the complexity of the legislation, that people are fallible and that mistakes would be made. Therefore, section 232B of the Trade Union and Labour Relations (Consolidation) Act 1992 provided that a trade union that failed to comply with the specific requirements would still be protected if there were a small, accidental mistake in the balloting procedure or a failure of another sort that was unlikely to affect the result of the ballot. If for those reasons the trade union failed to comply with the specific requirements, it would still be protected and have immunity.

That was a reasonable decision by this House. The problem is that it has not worked in practice as was intended. I do not think the wishes of the House have been translated to the real world, because of a series of legal actions. Legislators thought they were providing protection from accidental, minor error, but that has not happened. In fact, in a succession of court cases, a minority of employers have used minor errors in the balloting or notification process to secure injunctions and prevent the implementation of the majority decision of the trade union. Those judgments have resulted in a lack of clarity about whether a mistake is accidental or minor. The scope of the exceptions is also unclear: do exceptions include balloting but exclude the notice procedure? There is also a degree of uncertainty about whether a particular error, no matter how minor, affects the overall outcome of the ballot.

Lord Chief Justice Lord Judge picked up the irony that legislation enacted in this House to ensure and protect the democratic right of individual trade unionists to vote and participate in decisions on industrial action is now used to prevent the democratic wishes of those people being respected. That extraordinary irony has occurred as a result of those individual decisions. The judgments frustrate the democratic process that this House thought it was installing and strengthening within trade union legislation.

There are many examples, but I shall provide only a few, based on cases that I have had some involvement in. We have briefings on them from the TUC and the individual unions. By the way, this was one of the key issues debated at the TUC conference this year—representatives of all political parties were present—and unanimously, the TUC supported the promotion of the Bill to create a better climate of industrial relations.

One dispute that has soured industrial relations in this country occurred in my constituency—Unite *v.* British Airways. In December 2009, Unite undertook a ballot for strike action. There were 12,000 workers and the turnout was 80%, which is greater than the turnout of electors for any Member of this House. Some 92.5% of those who voted did so in favour of industrial action. An injunction was granted on the grounds that during the balloting period, 811 union members were offered and took redundancy. The employer sought and gained an injunction because it successfully argued that those 811 people should not have participated in the ballot, even though the union was not to know which of its members would take redundancy, and even though 811 votes had no material effect on the ballot. At that stage of the dispute, I genuinely thought we could achieve a negotiated settlement, but the injunction set us right back to square one. It alienated all those who participated and exacerbated the situation.

Let me give another example. EDF energy injuncted the National Union of Rail, Maritime and Transport Workers in 2009. The RMT was in negotiations about a small number of its members in three separate workplaces. They were listed on the union's books as "engineers/technicians". The union had been in negotiations with the employer on wages and conditions, job evaluations and a range of other issues. There had been dialogue with the employer for a period of time, so it was clear who the negotiations were about and the employer clearly understood. However, the employer gained an injunction because the RMT listed the workers as "engineers/technicians" and the employer said that although it listed engineers, it did not have a "technicians" category—people doing those jobs were characterised as fitters and other grades.

EDF won an injunction, but that only exacerbated the situation. I do not know of a case in which a re-ballot following an injunction has not resulted in a greater majority for industrial action. Parliament legislated to give, secure and enhance trade unionists' democratic rights, but it also legislated to try to improve the industrial relations climate in this country.

Some of the examples are quite staggering and it is difficult to see how they were justified in court, but they were. Let me cite that of Metrobus *v.* Unite in 2009. Some 90% of those working for Metrobus who were balloted by Unite voted in favour of industrial action. Such ballots are usually undertaken by the Electoral Reform Society, and the ballot result was sent to the union, but there was some delay in passing the result from the union to the employer. From reading the judgment, it looks as though the result went to the office but by the time it got handed to an official it was gone 5 o'clock, so it was not sent to the employer that night. So it was 20 hours later that it was sent to the employer.

The employer then sought and gained an injunction on the basis that the notice was not provided promptly enough. It was a 20-hour delay. At best, from the close of the ballot to when the employer received it, no more than two and a half days had passed. To be frank, that is how long it takes to deliver a letter first-class virtually, but the injunction was granted. Part of the decision of the court was based on the fact that the union had not put at the bottom of the paper that the information it had on its members was contained on its computer register and it was classified. A phone call from the employer to the union could have solved that one—"Where did you get this information? Where is this list?" It is the norm to put down that information, particularly so that it can be checked against the computer data.

I want to mention one final case: British Airways *v.* Unite, again in my constituency. The High Court granted an injunction on the second ballot because Unite had

not reported the full result. There were two grounds for the decision: first, United had not mentioned in an e-mail sent round or on the website that there were 11 spoilt ballot papers out of 12,000. The union received the notice at 3.59 pm. By 4.45 pm, the report was given to union representatives, who put copies on the notice boards of the crew report centres—where the crew assemble as they go on duty—within 30 minutes. They were made available in union offices and posted on displays on stands outside the offices in my constituency and in other airports. Representatives handed members the report in the crew areas. A press release was put on the website, and text messages and e-mails were sent to every member. People who work for BA are required to use their computer every day to get their rosters; it is a job requirement. The cabin crew were informed. Yet the company gained an injunction, because it was decided that the union had not fulfilled its responsibility to engage in active communication. I do not know what more it could have done.

There was real anger in my constituency about this injunction. Some of the employees concerned had never been on strike in their lives. I had people in my office in tears, including young women who had never before been involved in industrial action. They could not believe what was happening to them. They thought that the vote was a democratic process and that, regardless of whether they voted yes or no, their wishes would be respected, but they were not. There was some good news though: the union went to the Court of Appeal and only by majority—the court was split—was it decided that the union had complied with the communication requirements.

Lord Chief Justice Lord Judge commented on the irony of an employer relying on the provisions designed to protect trade union members in order to circumvent their wishes. It is extraordinary. Lord Neuberger dissented, but Lady Justice Smith argued—rightly, I believe—that the relevant legislation was not intended

"to create a series of traps or hurdles for the union to negotiate",

but

"to ensure a fair, open and democratic ballot."

She also introduced the concept that, where there is substantial compliance with the provisions of the legislation, the decision should be appropriate and judged accordingly. The problem was, however, that the judgment was split, and we have no idea what the next judgment will be. Such judgments rely on the individual decisions of individual judges, who often allow an injunction to be made, dragging us into the appeals process. That is destroying the industrial relations climate in certain sections of our industrial base.

As Lady Justice Smith said, unfortunately the relevant labour legislation sets traps and hurdles that were never intended by the House. I have introduced my Bill to give clarity to the original decision and intention of the House when it passed that legislation, and to restore the provision that the House thought it was implementing in the real world. The Bill does not seek to alter the core trade union obligations. A union organising an industrial ballot would still have to comply with the requirements to give seven days' notice of a ballot, for it to be independently organised and scrutinised, to inform members and employers of the result and to give seven days' notice of industrial action.

My Bill does not propose changes to the requirements of each of these stages; it simply addresses the consequences of technical and minor non-compliance with any of the stages of the process. It would bring our law that bit further into compliance and consistency with the UK's obligations under the European convention on human rights, the International Labour Organisation's standards and other domestic law. For example, under electoral law, under which we have all been elected, minor errors and even crimes that do not affect the overall result are disregarded.

The Bill would amend section 232B of the Trade Union and Labour Relations (Consolidation) Act 1992 to allow for small, accidental failures in respect of the requirements to give notice of ballots and industrial action, to give notice of its result to employers and members, and in respect of the ballot itself. It would complete the intention of the original legislation and covers the gaps interpreted by the courts. Such failures would be disregarded where there has been substantial compliance with the process itself, and the employer would be able to establish substantial compliance because of the level of information that would still be required to be given to the employer and the members themselves.

Minor errors would also be disregarded where the failure

"is unlikely to affect…the result of the ballot"

exactly as was intended by the House—

"or (in the case of a notice) a reasonable recipient's understanding of the…notice."

So the latter provision applies where a reasonable person can be expected to understand what was written on the notice before them. Where a union claims substantial compliance, the burden will be placed on the employer to prove non-compliance. That is not an onerous task, because during the interlocutory process the employer only has to demonstrate that there is a serious issue to be tried. It does not have to prove that something has gone wrong; it just has to say that there is an issue worthy of being tried and heard before the court.

Finally, I stress that the Bill would not lessen the obligations on trade unions seeking to organise industrial action, but would merely apply where there are small, accidental failures, particularly on notification and balloting. There would be no decrease in the amount of information to be provided to the employers, so it would not make it easier or harder for them to plan for industrial action. It would bring industrial action legislation into a consistent relationship with electoral law and practices generally, and more into compliance with ILO standards and the standards, rules and regulations set by the European Court of Human Rights. This is a minor Bill that could have significant implications in improving the climate of industrial relations in this country at a time when it is most needed, and I commend it to the House. This small private Member's Bill would allow courts to interpret the will of the House as originally intended, and I hope that it gains the support of all parties.

9.59 am

Mr David Nuttall (Bury North) (Con): May I thank you, Mr Speaker, for calling me to speak in this Second Reading debate? It is a great honour and privilege to have the opportunity to speak on this first Friday sitting of this new Parliament. Indeed, not only is this the first

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Friday, but I am the very first speaker to be called other than the promoter of this, the very first private Member's Bill, of the many the House will no doubt consider, not only in this Session, but throughout this Parliament.

I should start by declaring an interest, in that I am the president of CAW—Conservatives at Work, which is the new name for Conservative Trade Unionists—for the north-west region. To be fair, it is some years since the name was changed, from the CTU, as it was back in the 1980s, to Conservatives at Work. The name was changed to reflect the fact that the organisation accepted not only members of a trade union. Indeed, there were many other members who had never been members of a trade union, but who were nevertheless interested in industrial matters and industrial relations generally. I have never been a member of a trade union myself, although—*[Interruption.]*

Mr Speaker: Order. There is a lot of chattering taking place. Whether Members are yet captivated by the hon. Gentleman's speech I do not know, but they should certainly give themselves the chance. We need a more orderly atmosphere; this is rather unconventional. I call Mr David Nuttall, who I feel sure will shortly address the Bill.

Mr Nuttall: I will indeed, Sir, but I feel it important that I should declare my interest.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Is it the hon. Gentleman's intention to talk out this Bill? Are we going back to the old tactics, or is he being constructive?

Mr Nuttall: I intend to take interventions, as is the normal custom in this House. I have no intention to speak at great length, but I look at it like this: the public out there expect the other side of the argument to be fairly put, and that is what I intend to do, because I am not persuaded that the Bill is merely a technical measure. Nobody would have gone to the time and trouble of bringing this matter before the House if it was such a trivial matter. It is not trivial; it proposes to change the law of the land. It deserves careful analysis and detailed examination, and that is what is going to happen on the Floor of the House this morning.

To return to the CTU, let us not forget that there are many members of trade unions who are not paid-up members of the Labour party. There are many who are members of the Conservative party, of the Liberal Democrats—I am sorry to see that they are not present in great number on the Government Benches this morning, although I hope that they will be here before too long—the Scottish National party or Plaid Cymru. There are also many—they may well be the majority—who are members of no party at all. I therefore do not regard this issue as a particularly party political matter; rather, it concerns good industrial relations.

For 16 years I was an employer. I ran a small solicitor's practice, and in the end I was responsible, along with my partners, for employing 40-odd people, so I know quite a bit about employing people. I know a lot about keeping staff happy, and I know how important it is that there are good relations between an employer and an employee. Members of the CAW wanted to work with their trade unions to help their employers be successful. It is rarely the case that an employer can be successful if their employees are withdrawing their labour. The result is invariably that the company and the employees both lose out, and in the long run that is of no great benefit to either.

In the 16 years that I was running the firm, we never had any problems with the unions. To be fair, there was no unionisation, but they were free—*[Interruption.]* I always said that if any of the staff wanted to join a union, they were entirely free to do so. However, without being too immodest, I like to think that the fact that there was no unionisation was perhaps because we tried to be good employers and because the staff did not feel it necessary to join a union. They were quite free to do so, but as far as I can recall, none of them ever decided to withdraw their labour.

Let me declare a further interest, in that my brother is a merchant seaman. As will become apparent later, when I consider some of the detailed provisions in the Bill, that is particularly relevant, as the Bill seeks to amend subsections (2A), (2B) and (2C) of section 230 of the Trade Union and Labour Relations (Consolidation) Act 1992.

Philip Davies (Shipley) (Con): Does my hon. Friend not think it strange that the Labour Government, who were in office for 13 years, made changes to the 1992 Act in 1999 and 2004, and yet on both occasions, when they were reviewing and amending the legislation, decided to leave those provisions intact? They thereby indicated that they thought that they were perfectly sensible. Now that Labour Members are in opposition, after 13 years of being in government, is it not bizarre that they seem to think that those provisions are no longer appropriate?

Mr Nuttall: My hon. Friend is quite right. I will have something to say on that later, although I should point out now that section 232B, entitled "Small accidental failures to be disregarded", which the Bill seeks to amend, was actually introduced by the Labour Government, through the Employment Relations Act 1999. We can therefore safely assume that this measure, which was not originally in the 1992 Act, was one that the Labour Government wanted included in that Act.

Subsections (2A), (2B) and (2C) of section 230 of the 1992 Act contain special provisions relating to the requirements that are applicable to merchant seamen—who have special requirements owing to the nature of their work—who are also members of a trade union.

I genuinely congratulate the hon. Member for Hayes and Harlington on his perseverance with this measure. On Thursday 23 November 2006, almost four years ago, he came 16th out of the 20 successful Members in the ballot in that Session. He then decided to introduce the Trade Union Rights and Freedoms Bill, which was part of a campaign being pursued by the unions following the Trades Union Congress of 2005, which had passed a motion calling for a trade union freedom Bill in the wake of the dispute between Gate Gourmet and its catering staff at Heathrow airport. Members will note a common thread involving Heathrow airport and airport matters. One of the principal provisions of the trade unions' motion was the simplification of the complex

regulations on notices and ballots, which restrict the ability of unions to organise industrial action when a clear majority of members have voted in support. I do not agree that the regulations are necessarily complex.

The hon. Gentleman introduced his Bill on 13 December 2006, and it was scheduled for Second Reading on 2 March 2007 but, unfortunately for him, there was insufficient time for it to be considered. It was not given a Second Reading and it subsequently fell. I should add that the introduction of that Bill was followed by early-day motion 532, which stated:

"That this House recognises that free and independent trade unions are a force for good in UK society around the world and are vital to democracy; welcomes the positive role modern unions play in providing protection for working people and winning fairness at work; notes the 1906 Trades Disputes Act granted unions the legal freedom to take industrial action; regrets that successive anti-union legislation has meant that trade union rights are now weaker than those introduced by the 1906 Trades Disputes Act"

I do not know whether that was a critical attack on Labour's own 1999 and 2004 legislation. The motion went on to say that it

"therefore welcomes and supports the TUC campaign for a Trade Union Freedom Bill whose principles include better protection for workers, such as those sacked by Gate Gourmet in 2005, the simplification of ballot procedures and to allow limited supportive action, following a ballot, in specific circumstances; and therefore urges the Government to bring forward legislation to address these proposals."

The motion was moderately successful, unlike some that attract only—

Mr Speaker: Order. The hon. Gentleman has now been on his feet for 15 minutes. I understand that he wanted, very properly, to declare his interests, and a modest preamble in situations of this kind is understandable, but I must gently say to the hon. Gentleman, who is a new Member, that this is not an occasion for a general discourse on the merits or demerits of trade unions or for the discussion of the Trade Union Rights and Freedoms Bill, which is not before the House this morning. It is the occasion for a focus on the specific content of the Bill before the House, which contains two clauses. I feel sure that the hon. Gentleman will now deal with those matters and remain focused on them for the remainder of his speech.

Mr Nuttall: Thank you, Mr Speaker.

Mr Bone: Will my hon. Friend give way?

Mr Nuttall: Certainly.

Mr Bone: I am genuinely undecided about how to vote today. I want to know whether the Bill has been introduced purely because of the ridiculous action that British Airways took, or whether there is a more general problem. I hope that this will come out in the debate. I do not think that we should make law based on one case, and I want to know whether there is a genuine problem.

Mr Nuttall: I thank my hon. Friend for his intervention, and I agree that this is important. I shall look at the case law shortly.

I shall turn to the detail of the Bill very shortly, Mr Speaker. The early-day motion was signed by 133 Members, including the previous Member for Bury North. The hon. Member for Hayes and Harlington is to be commended for his determination in bringing this Bill before us today.

The House must not take the Bill lightly. It contains just two clauses—one is substantive, the other deals with the short title and details of the commencement provisions—and there is a real danger that, because of its brevity, many Members might think that it is a trivial matter that can be disregarded. We should not take it lightly, however. There is a danger that, because its title contains the word "lawful" and, in parentheses, the words "minor errors", we could be lulled into a false sense of security. Those words might suggest that it is a trivial piece of legislation that will merely tidy up some long-forgotten legislation that contained one or two technical errors, but nothing could be further from the truth.

Andrew Bridgen (North West Leicestershire) (Con): Does my hon. Friend agree that the Bill is in fact a Trojan horse, out of which could spring lots of legislation that could lead to making the UK economy far less competitive, damaging industrial relations and the potential for growth in the economy in the difficult times ahead?

Mr Nuttall: My hon. Friend is absolutely right. There is a real danger that the Bill could be a Trojan horse. It could easily take us into new territory. It could also take us back to a previous era that many people outside the House thought they had seen the last of.

Philip Davies: My hon. Friend has a legal background, and I do not. The case being made by Labour Members seems to be that they do not think that judges should interpret the law, and that the law should be clear and straightforward. The Bill seems to be throwing us out of the frying pan into the fire, however, because it says that a judge has to accept a ballot if there has been "substantial compliance" with the provision in question. Can my hon. Friend tell me, in legal terms, whether there is a legal definition of "substantial compliance"? For example, would 51% compliance count as "substantial", or would it need to be 60% or 80%? Or are we going to go straight back to having judges deciding what is substantial and what is not?

Mr Nuttall: My hon. Friend is broadly right. The Bill seeks to move the law from a situation in which the courts are asked to consider whether something is a small, accidental failure that should be disregarded to one in which they consider whether there has been "substantial compliance" with the law. I will come to that point in a moment.

I was just saying that I do not think that we should be lulled into a false sense of security simply because the title of the Bill refers to "minor errors". The Bill is, I believe, worthy of comprehensive analysis and scrutiny if only because our constituents would rightly expect it. This Bill will not affect trade unionists alone; it will affect everybody and the lives of everybody affected will be blighted. One can only assume that the thrust of this proposed legislation is to make it easier for trade unions to organise strike action. That will affect—it will potentially

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affect it could affect—every family in this country. That is why I believe the Bill deserves somewhat more detailed scrutiny. I appreciate that I am a new Member, so I might gloss over or miss things that others with longer service might not. They will be better placed than me to give it the examination that I think the Bill deserves.

Philip Davies: My hon. Friend made a good point when he said that the Bill's title refers to "minor errors". I believe that the Network Rail v. RMT case was cited in support of this Bill, but does my hon. Friend agree that balloting people from 11 signal boxes that did not exist, some of which had been shut down 44 years ago and one of which, on the union's own admission, had burned down hardly constitutes a "minor error"?

Mr Nuttall: My hon. Friend is right. My concern is that if this legislation were allowed to proceed in this form, that sort of slipshod behaviour might be allowed to continue in future. I submit that one reason why a line of cases has been brought before the courts is that employers have upheld the will of this House and have sought to secure full compliance with what was originally intended. I stress again the importance of what was intended not by the 1992 Act but by the Employment Relations Act 1999, which was introduced by the Labour Government.

In his opening remarks, the hon. Member for Hayes and Harlington said—I agree with him—that we begin to understand the full effect of this proposal only by looking at the legal framework in which employees and employers operate. The starting point is the contract of employment itself. Under such a contract one individual, the employee, provides his or her services or labour for the benefit of another, the employer. In return, they are paid for the labour they provide. The work is manual labour in some cases or it could be "white collar" work, as we call it, or it could be providing expertise on a particular subject. It follows that withdrawal of that labour is a very serious matter and, unsurprisingly, the law attaches serious consequences if someone breaches that agreement, as it does with any other breach of contract.

Henry Smith (Crawley) (Con): Is it not the case that elections are held by other legal entities, such as public limited companies or national organisations, and are sometimes used for trustees and so forth? With those other legal entities, is it not the case that complete compliance with the law is necessary, rather than "substantial compliance"—whatever that vague term means legally?

Mr Nuttall: My hon. Friend is absolutely right. In most areas of the law, people are quite rightly expected to follow it to the letter. In the particular area of trade union law, the possibility of human error coming into the process is taken care of, I submit, by the provisions of section 232B of the 1992 Act, which specifically allows for minor, small, accidental failures to be completely "disregarded". That raises the question of why on earth this Bill is being introduced at all, particularly following the decision of the Court of Appeal in the British Airways plc v. Unite case earlier this year. I accept that it was only a majority judgment, but it was nevertheless a judgment of the Court of Appeal, so it should be given time to bed down, as it put forward a fairly clear view of the law.

Andrew Bridgen: Can my hon. Friend think of any other aspect of the law where "substantial compliance" is considered sufficient?

Mr Nuttall: There are various areas of the law. We have a de minimis rule, for example, which covers cases where there has been a trivial or minor breach. The judges will often overlook such a trivial or minor error if it could be construed as complying with the de minimis exclusion for understandable human error.

Jacob Rees-Mogg (North East Somerset) (Con): I thank my hon. Friend for giving way so graciously and so often and for elucidating so many points in this debate. Does he agree that it is only right that trade unions be held to the highest standard of accuracy in holding these ballots, because they get a special exemption from the contract law to which their members would otherwise be subject? As they are getting an exemption under the law, should they not be required to do things absolutely properly? Perhaps the Bill should be amended to tighten the regulations rather than to loosen them.

Mr Nuttall: My hon. Friend is absolutely right. I was about to come on to the history of how we arrived at where we are today, albeit briefly as I do not want to go too far back. It is important to remember that a couple of hundred years ago it was completely illegal for workers to join together at all. We have now happily moved on, but there is perhaps a case for tightening trade union legislation, and I believe that a number of other matters could be more usefully included in the Bill. I assume that people in the trade union movement want to see it prosper, go forward and make itself ready for the 21st century.

Charlie Elphicke (Dover) (Con): Does my hon. Friend think that now is the time to be passing legislation to make it easier to strike, when we need to pull ourselves out of this massive recession the country has had to face, thanks to the shambolic economic policies of the Labour Government? At another time in the future, when the country is perhaps doing better—

Karl Turner (Kingston upon Hull East) (Lab): Absolute nonsense.

Charlie Elphicke: It is not nonsense; it is accurate. It was Labour Members who caused the recession and now they are trying to make it easier to strike. That is not a fiscally responsible thing to do.

Mr Nuttall: I thank my hon. Friend for that intervention, which highlights the real danger. He strikes to the heart of the matter, because as the nation tries to emerge from the recession, we need to do everything we can to put dynamism back into British business. The last thing that we want is a return to the dark days of the 1970s, and the problems of the 1980s, when the news headlines were dominated by industrial unrest and strife. If those days returned, the economic competitiveness of British business would be damaged, and that would be good neither for this country nor for trade unions in general.

Philip Davies: I want to drag my hon. Friend back to the point made by my hon. Friend the Member for North West Leicestershire (Andrew Bridgen) about the Bill's terminology of substantial compliance. Does he agree that it would be interesting if Labour Members accepted substantial compliance as the basis for legislation generally? For example, in the case of a major health and safety problem at work, would their presumption be that the employer should face no sanction if that employer had displayed substantial compliance throughout the rest of the year. Does my hon. Friend agree that the concept of substantial compliance might have merit after all?

Mr Nuttall: I am sure, Madam Deputy Speaker, that Mr Speaker is most upset that he has not been able to stay and listen to the rest of this interesting debate, but he will be able to read it later.

I thank my hon. Friend the Member for Shipley (Philip Davies), who raises an interesting question. The point was made earlier that the provision might be a Trojan horse. If we go down the path of referring to matters as substantially complied with, or saying that, taken together, there has been substantial compliance, there is a danger that it leaves open a gaping hole. What is not substantially compliant? What should we do if someone complies with their health and safety policy for 51 weeks, but not in the other week? Such an approach does not make sense. During detailed examination of clause 1(3), I shall consider whether the Bill takes us any further forward.

Andrew Bridgen: Does my hon. Friend agree that the problem is not just with substantial compliance some of the time, but with the fact that some groups will be allowed substantial compliance, whereas other groups will have to adhere to complete compliance all the time?

Mr Nuttall: My hon. Friend is right. I can well understand those who comply with the law for all of the time not being too happy about other groups being allowed to comply with the law for only part of the time. The rest of the time they can say, "Well, we have substantially complied with the law." What should we do with a burglar who said, "Well, I've been substantially compliant with the law for 364 days of the year, but today I happen to have fallen foul of the law"? Should we let him off? What absolute nonsense.

Any employee who breaches their contract of employment leaves themselves open to the risk of being found liable, under the law of tort, to their employer, for breach of contract. That applies whether the contract is for unskilled manual labour, skilled manual labour, or what is often termed white collar services. The liability applies equally to those organising industrial action, such as—but not necessarily exclusively—trade unions, because those concerned will seek to procure a breach of contract, which is a tort under English law. Under those circumstances, both individuals and trade unions risk incurring liability to the employer. I add that there is also a potential liability to third parties. In individual terms, the employee is also, of course, liable to be dismissed.

Only through the protection afforded by statute can employees and trade unions escape the consequences of their actions in withdrawing their labour and breaching the terms of their contract of employment. That was first accepted, as the hon. Member for Hayes and Harlington mentioned, as long ago as 1906 when the Trade Disputes Act was passed. Prior to that, the common law provided that trade unions were liable to claims for damages for inducing a breach of contract. The 1906 Act granted them immunities from those liabilities. As I mentioned in response to my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg), 100 years earlier the Combination Acts of 1799 and 1800 made it illegal for workers to join together and press employers for shorter hours or increased pay. Those Acts remained on the statute book until 1824 when they were repealed, to be replaced by the Combination Act of 1825.

Philip Davies: Does my hon. Friend agree that when we consider what is fair and reasonable in such legislation, part of the equation that should be considered, and that appears to have been considered in cases such as British Airways *v.* Unite, is the impact of the strike action on the business and its customers? If, as in the case of Unite, there is an attempt to wreck Christmas holidays for over 12 days, which would have affected British Airways and its customers to a devastating extent, the highest possible standards must be expected of unions in such circumstances.

Mr Nuttall *rose*—

Madam Deputy Speaker (Dawn Primarolo): Order. May I gently remind the hon. Gentleman about the remarks made at the beginning of this debate about a new way of debating in the House? He has been speaking for nearly 40 minutes. If he has set the scene, I would be grateful if he now dealt with the details of the Bill.

Mr Nuttall: Thank you, Madam Deputy Speaker. I will indeed. If I may, I will deal briefly with the intervention made on me, and then bring us up to date and consider the detail of the Bill.

Madam Deputy Speaker: Order. I hear what the hon. Gentleman says. He has set the scene, so he can deal with the intervention. However, I then expect him to address his remarks to the Bill.

Mr Nuttall: Thank you, Madam Deputy Speaker. I will indeed.

My hon. Friend the Member for Shipley (Philip Davies) is right about the devastating effect of industrial action such as that to which he referred. In the case in question, it looks as though the action was specifically arranged and organised to hurt people who had waited all year for their holiday. Therefore, it is not surprising that the law drawn up in 1999 should expect the highest standards of compliance. In view of what you have said, Madam Deputy Speaker, I will skip over the next portion of my remarks. Let us jump forward to the late 1970s. I think that this is relevant, because that was the time when trade union powers reached what could be described as their zenith.

Andrew Bridgen: Does my hon. Friend agree that the fact that Bill seeks to send industrial relations between employees and employers back to the late 1970s should come as no surprise, given that the new Leader of the Opposition seeks to swing the politics of the Labour party back to that time, and that the great consolation for Conservative Members is that Labour will therefore be out of government for a very long time?

Ian Lavery (Wansbeck) (Lab): Absolute rubbish.

Madam Deputy Speaker: Order.

Let me also remind the hon. Member for Bury North (Mr Nuttall), before he rises to reply to his hon. Friend's intervention, that I have already told him very specifically that, having spoken for after 40 minutes, he should end his general remarks and begin to deal with the contents of the Bill. Before he replied to the earlier intervention, he assured me that he would do that, but he then broadened the debate. I should be grateful if, in replying to the intervention from the hon. Member for North West Leicestershire (Andrew Bridgen), he would refer directly to the Bill.

Mr Nuttall: I certainly will, Madam Deputy Speaker. To be fair, I think that I have already dealt with my hon. Friend's point. I agree that there is a danger that that will happen if the Bill is allowed to proceed in its current form. However, I think it relevant to point out briefly—very briefly, and for the good of the trade union movement—that trade union membership has halved since the 1980s, from 13 million to 6.5 million. I fear that if the Bill were allowed to proceed and a further period of industrial unrest were to follow, there could well be a further decline, perhaps—although it is not for me to say—a terminal decline in union membership.

Let me now do what you have rightly asked me to do, Madam Deputy Speaker, and turn to the detail of the Bill.

Charlie Elphicke: Given that the Court of Appeal reversed the injunction in the British Airways case, does my hon. Friend think that the Bill is necessary at all?

Mr Nuttall: No, I do not. We have not yet had time to see the details of the Court of Appeal's decision in the case of British Airways plc v. Unite. The court's judgment, which was quoted by the hon. Member for Hayes and Harlington, was quite clear in regard to the effectiveness of the law.

There has been such a long line of cases of this kind, and it is interesting to note that time and again they have involved the same union: Unite. One would think that by now Unite, and the people whom it employs to conduct the ballots, would have learned how to do it, but apparently not. The Master of the Rolls recognised that. Delivering his dissenting judgment in the Court of Appeal, he said that he agreed with Mr Justice McCombe, who had delivered the earlier judgment in the Queen's bench division. He said that he did

"not consider that the Union has a good prospect of establishing at trial that it complied with section 231. On the contrary, I would not regard its prospects as promising."

He reached the conclusion that

"the requirements of section 231 seem...at least as at present advised, to be unnecessarily prescriptive and strict, particularly insofar as they can be relied on by the employer and particularly in a case such as this.... Having fallen foul of the technical rules of the 1992 Act in a ballot a few months earlier, the Union might have been expected to take particular care over complying with all those rules in what was effectively a rerun of that ballot."

So there we have it: the Master of the Rolls saying in terms that the union had had one chance, and had got it wrong. A few months later it did effectively the same thing, and got it wrong again. My hon. Friend the Member for Dover (Charlie Elphicke) is quite right.

Let me now return to the detail of clause 1, which seeks to amend section 232B of the Trade Union and Labour Relations (Consolidation) Act 1992. Subsection (2) would add the words "or notice". Previously compliance had been required only if a ballot had been held, but sections 226 to 230 require notice to be given to the employer as well. Section 226A requires the notice to be given

"not later than the seventh day before the opening day of the ballot",

and to be

"received by every person who it is reasonable for the union to believe"

should receive it.

In considering whether this is a sensible provision, I ask myself why notice should not be given to all the other people who would be affected. I would consider it sensible for the Bill to require it to be given not just to the employer, but to others who would be affected by the union's actions, such as post office and railway users' groups. Section 226 states that it would help the employer to be able to make plans and bring information to the attention of some of his employees, because other employees might be seriously affected if half their colleagues walked out on strike. It is entirely right that there should be compliance—full compliance—with the requirement for notice to be given.

Andrew Bridgen: Compliance with the notice period is essential because, as my hon. Friend has pointed out, there are suppliers downstream and users upstream of the business who need to be informed of potential industrial action.

Mr Nuttall: Indeed. The time is needed so that other people—not just other employees—can be notified. Deliveries may need to be stopped, and customers may be waiting for those deliveries.

There is a strong argument for increasing the notice period. Section 226A(1)(a) requires only seven days' notice, which is not very long. It will include a weekend, so there will be only five working days. That is not a long time in which to make all the necessary preparations, especially when the company involved has never experienced a strike before and does not know what to do. There will be a lot to be done in those seven days. There is a lot of merit in the argument that the period should be extended to 14 or 28 days, so that people know where they stand if a union starts to take industrial action.

Charlie Elphicke: My understanding—correct me if I am wrong—is that the substantial compliance provision would allow for exemption from section 234A of the 1992 Act, which deals with the notice to employers of industrial action. Does my hon. Friend think that substantial compliance might be a notice sent in the post but not delivered? Is that substantial compliance or not? Should not an employer receive actual notice and have some certainty about that?

Mr Nuttall: My hon. Friend makes an interesting point, which we will look at in more detail when I look at the next paragraph of the subsection. The problem with the Bill is that it not only introduces the novel concept of substantial compliance, but extends the scope of the 1992 Act to cover not just the ballot but the

notice provision. Therefore, it is doing two things at the same time. Incidentally, the provision also extends the number of sections to which the exemption applies, which we will look at later.

May I move on to subsection (1)(b) of section 232B, which states that the failure will be disregarded if

"the failure is accidental and on a scale which is unlikely to affect the result of the ballot".

It seems that, when the 1992 Act was amended, the then Labour Government knew exactly what they were doing. They were providing for minor errors to be discounted. In section 232B, they specifically allowed for a failure which is

"accidental and on a scale which is unlikely to affect the result of the ballot or, as the case may be, the failures are accidental and taken together are on a scale which is unlikely to affect the result of the ballot".

That seems to be straightforward and simple to understand.

Philip Davies: It may be straightforward to someone as intelligent as my hon. Friend, but may I ask him to clarify the matter for those of us who do not have his intellectual capacity? Does the law as it stands say that the failure would be disregarded if it were, "accidental and does not affect the ballot" or does it say that it would be disregarded if it were "accidental or does not affect the ballot"? If the problem in the vote were not accidental, presumably it would not matter if it made any difference, because the union would have to meet both tests: the failure would have to be accidental and not make any difference. Can he clarify whether both tests have to be met at the moment?

Mr Nuttall: I thank my hon. Friend for that intervention. The position is more complex perhaps than I originally intimated. Section 232B(2)(b) says that, in relation to a ballot, if there is a failure or there are failures in respect of a provision mentioned in subsection (2) or other provisions, and the failure or failures are accidental and on a scale that is unlikely to affect the result of the ballot, those can be disregarded. It is worthy of note that the section already makes provision not just for a single failure but for failures, so it already provides for more than one failure. There could be several failures and the law accepts that at the moment. It accepts that there could be multiple failures and the existing legislation would still potentially allow those to be disregarded by the courts, as happened in the case that has been so often referred to this morning—the case of British Airways plc *v.* Unite. There were a number of errors. The Court of Appeal, by a majority, decided to allow the appeal and discharged the injunction that had been obtained at first instance by the court.

Andrew Bridgen: Does my hon. Friend agree that the Bill effectively will give special rights, privileges and concessions to unions that are not given to any other groups in this country?

Mr Nuttall: My hon. Friend is right. The concept that is introduced by the proposed amendment to section 232B of "substantial compliance" is a novel concept. I have not heard in the opening remarks in the debate about any other legislation where that is referred to, and therein lies quite a major problem with this legislation.

I turn to the crux of my argument.

Philip Davies: This appears to get down to the nitty-gritty of what is accidental. It seems to me from the judge's summing up that Unite got it wrong in its dispute with BA. The judge said that he thought that

"it therefore seems clear that the union was aware, or certainly ought to have been, that the figures provided to BA in the ballot notice included a substantial number of those who were shortly to leave on voluntary redundancy, and therefore included members who the union could not reasonably have believed would be entitled to vote in the ballot."

In that case, the mistakes might have been minor, according to the interpretation of the hon. Member for Hayes and Harlington (John McDonnell), but they certainly could not have been accidental if the union was balloting people whom the judge ruled it should have known, or did know, were not entitled to vote.

Mr Nuttall: My hon. Friend makes a valid point. One of the problems with the interpretation of the clause relates to what is accidental and what is not. I submit that we are going to have exactly the same problem if we change the law and introduce the concept of substantial compliance. We are not any further forward than we were.

Henry Smith: Does my hon. Friend think it in order that the House should legislate to allow for incompetence, whether accidental or deliberate?

Mr Nuttall: I thank my hon. Friend for his intervention. I certainly do not think that it is appropriate that the House should legislate for incompetence, and effectively that is what this Bill is leading towards. It is effectively saying that there could be 70%, 60% or 80% compliance with the law and that would be okay. I might be wrong, but I am of the opinion that members of the public outside this House rightly expect a trade union, or indeed, as my hon. Friend the Member for North West Leicestershire said, any other group, to comply with the law to a much higher degree.

I think the degree of compliance should be 98% or 99%, which was the intention in 1999 when the then Labour Government introduced section 232B providing for small accidental failure to be disregarded. The new provision refers to

"the failure...or the failures taken together",

so it mirrors the current situation in that duplicate failures would be permitted. It also states that

"there has been substantial compliance with the provision or provisions in question"

and

"on a scale which is unlikely to affect (in the case of a ballot) the result of the ballot or...a reasonable recipient's understanding of the effect of the notice".

The problem is that that provision takes us no further forward. Employers are just as likely to say, "Well, has there been substantial compliance or not?" It is not clear, so we are no better off than if we were to ask whether there had been a minor or accidental failure. Therefore, this provision will prove to be a treasure trove for lawyers.

Philip Davies: Given that the purpose of the Bill is to try to avoid any misunderstandings, does my hon. Friend agree that it would have been more helpful if the hon. Member for Hayes and Harlington had included a definition of substantial compliance? If he had, we might have avoided some of these problems.

Mr Nuttall: My hon. Friend is right. One of the defects of the Bill is that there is no definition of what constitutes substantial compliance under the law; we have no idea at all about that.

The current law is particularly detailed, however. For example, section 226A of the 1992 Act requires that a union must give notice

"not later than the seventh day before the opening day of the ballot"

to

"every person who it is reasonable for the union to believe (at the latest time when steps could be taken to comply with paragraph (a)) will be the employer of persons who will be entitled to vote in the ballot."

All sorts of questions arise, such as what happens if someone is set to become an employee but is not working on the day? They will never have a chance to vote; are they to be included or not? I do not want to address all these questions today. I simply put that one as an example of the problems that will arise if the Bill is enacted.

Henry Smith: Does my hon. Friend agree that that is precisely why the 1999 and 2004 legislation introduced by the previous Government—to whom I do not give credit for very much—did not allow for substantial compliance? The point my hon. Friend makes illustrates precisely why they saw the sense in not allowing for that.

Mr Nuttall: My hon. Friend hits the nail on the head. Back in 1999 there was a new Labour Government with a substantial parliamentary majority, and they could very easily have introduced a measure along the lines of the Bill, but they did not do so because it is a bit of a dog's breakfast. It is not clear what substantial compliance means; there is no definition in the Bill and our attention has not been drawn to any previous case law or to any academic analysis of what would or would not constitute substantial compliance.

Andrew Bridgen: Is not the crux of the matter that if substantial compliance had been fully defined in the Bill, that would merely move the legal argument on to the question of whether actions might or might not be likely to affect the ballot?

Mr Nuttall: My hon. Friend is right. Whether or not something may or not result in the ballot being affected is a very moot point indeed, and it could exercise the courts for a very long time.

I think there is a danger that the lawyers are sitting out there rubbing their hands with glee, because when they see the Bill they must think, "Marvellous! We've almost run our course in respect of the 1992 and 1999 legislation, which has been to the Court of Appeal, but we are now going to move back to square one and start again. We can spend hour after hour in the Queen's bench division and then the Court of Appeal." The issues will not be dealt with in, say, Uxbridge county court.

Philip Davies: Returning to the point made by my hon. Friend the Member for Dover (Charlie Elphicke), is there not an irony here in that the hon. Member for Hayes and Harlington has introduced the Bill to benefit his friends in the trade unions and they have got a Court of Appeal decision that is favourable to them that they could presumably use in further cases as case law, yet he wants to scrap that judgment, which eventually found in their favour, to introduce a new element to the law that is uncertain? If the hon. Gentleman wants to help his friends in the trade unions, should he not leave the law as it stands with this clear verdict from the Court of Appeal, rather than try to introduce a new Bill that introduces new uncertainty? He is not even helping the people his Bill is designed to help.

Mr Nuttall: Absolutely. My hon. Friend is right that there is a real danger that this Bill will not only move industrial relations back three decades, but will move the analysis of the case law back to square one—back to 1992 or 1999. We will be starting with a blank page, and the lawyers will be able to say, "Well, here we are. All past judgments are out of the window because there is now a new piece of legislation." All the previous cases that have been cited this morning will, effectively, be made redundant because the measure that has been tested before the courts on several occasions will no longer be on the statute book and we will be faced with a new measure that has never been tested before the courts. It will not be long before an employer is required to put the matter to the courts for a decision and, as I said, these are not matters that could be dealt with in a county court. They would inevitably have to be dealt with in the High Court. They would then be appealed to the Court of Appeal for civil cases, and who knows whether they would go on to the Supreme Court. They would be lengthy and expensive actions, and I submit that we would be no further forward in having clarity in the law—which, after all, is why we are here in Parliament. We thought we had nearly got there in the case of British Airways v. Unite earlier in the year. If we now go back to square one, we will be no further forward.

Philip Davies: I am pleased my hon. Friend agrees with me about that. However, has not the hon. Member for Hayes and Harlington reasonably identified that the crux of the BA case is the definition of accidental? It was the judge's view that in this case accidental did not mean unintentional—that there was not enough to satisfy the demands of the law. If the hon. Gentleman wants to deal with the BA problem, to which he referred at length in his speech, would he not be better off just amending the law to give a definition of accidental, rather than going back to the drawing board and introducing a completely new concept altogether?

Mr Nuttall: My hon. Friend is right, because rather than deal with the matters raised in the judgment, such as the definition of "accidental", the Bill seeks to introduce a novel concept of whether there has been "substantial compliance" with something.

I shall now deal with the next subsection, if Madam Deputy Speaker will allow me. Subsection (5) deals with the burden of proof. The existing legislation under section 232B of the 1992 Act contains no subsection (5), so this would be a new insertion into the original provision. Subsection (5) states:

"In any proceedings in which reliance is placed on this section, any failure to comply with a provision mentioned in subsection (2) is to be treated as meeting the terms of subsection (1)(b) unless the contrary is proved."

In simple terms, that means that the burden of proof is being placed completely on the employer, who will have to prove this novel concept of what constitutes "substantial compliance". As has been said this morning, that arrangement is entirely the wrong way round. It is and has always been incumbent on the trade unions to show that they are complying with the requirements of the law, because it, unusually, exempts them from the liabilities that otherwise exist under British law.

Brandon Lewis (Great Yarmouth) (Con): Does my hon. Friend agree that the problem with having the onus on the companies and the employers is that that imposes a huge responsibility and potential cost on them in tough economic times, because they will have to try to prove something and get information to which they do not have easy access? That is why the onus in the Bill is completely the wrong way round and why the onus should remain on the unions.

Mr Nuttall: My hon. Friend is absolutely right about that point, although I had not thought of it, because employers face having to start delving into matters into which they will probably never have delved and that could be, as he says, a very expensive and time-consuming business. It would be far better for employers to get on and deal with the job that they are there to do, which is to try to run their businesses and companies profitably.

Subsection (5) deals with the burden of proof and makes it the job of the employer to prove that there has been a failure of "substantial compliance"; it puts the burden of proof on the employer. I submit that it is the job of the trade union to prove that it has complied with the rules. I sometimes refer to this as the 51:49 rule, because proving something on the civil standard of the balance of probability means that on a 51:49 balance it is more likely than not to have occurred. I believe that I am right in saying that we were told during the opening remarks of the hon. Member for Hayes and Harlington that proving this was not difficult, but if that is the case, it is not difficult for the trade unions to prove that they have substantially complied with whatever provision they are alleged not to have complied with. As we have said, what does or does not constitute substantial compliance is a matter of great debate. For example, has there been substantial compliance where a notice has been sent but not in the right form or where it has been partially or badly photocopied?

Charlie Elphicke: Will not the reversal of the burden of proof and the introduction of this wholly uncertain new test be very counter-productive, because we have such strong and well-understood case law and precedent in this area that this approach might damage the position of trade unions?

Mr Nuttall: There is a real danger of that. One of the reasons why it would be wrong for us to pass this Bill in its current form is that it would damage the standing of the trade unions. There is a real risk that they will find it more difficult to recruit new members if they are seen to be moving back to the 1970s, and if there is such a return, there is a real risk that our economic competitiveness will be damaged. Before I deal with which groups might be affected by this measure—it is important that we examine that and consider who will be affected outside this House if the Bill is allowed to pass into law—I shall address the requirements of subsection (5). Placing the burden of proof on the employer would be a major change and such a provision was not in the previous legislation. I have heard no good reason this morning why it would be a sensible way to proceed.

Clause 2, which deals with the short title of the Bill and commencement, is relatively uncontroversial. However, it might be suggested that the period of one month before the legislation comes into force is not sufficient. Clause 2(3) contains a fairly unusual provision. It states:

"This Act applies in relation to industrial action taking place (or proposed to take place) on or after the day on which it comes into force."

That leaves the definition of what "proposed to take place" means open to some doubt.

Jacob Rees-Mogg: Does my hon. Friend agree that the clause is particularly dangerous, because it allows errors that have been made, which may or may not have been considered to be substantial before, to be reconsidered after the fact? It is most unsuitable to legislate in that way, so the clause is one of the worst in the Bill.

Mr Nuttall: My hon. Friend is quite right. It is slipped in at the very end, in the last couple of lines of a clause that might otherwise be uncontroversial and remain unconsidered. I might have overlooked it, were it not for the fact that in parentheses, it says

"or proposed to take place".

That changes the whole ballpark of the meaning of the clause. One could understand if action were actually taking place—that would be quite understandable, and we can see whether someone is on strike or not—but where there is a requirement to consider whether it is proposed to take place, who makes the proposal? Is it someone who has proposed action in a branch meeting? Should it be proposed at a national level? Should there have been a ballot? Should there have been notification? How far down the line does it have to have gone before it is regarded as an proposed action? What happens if one union member has proposed it to his mate? Is that regarded as a proposal for action? The whole Bill is a minefield; it is a treasure trove for lawyers and I submit that in its current form it will do nothing to help trade unions and industrial relations in this country.

Before we go further, we should consider the groups that will be affected by this Bill. Principally, four groups will be affected. The first group is the trade union members. Some members might have their views excluded because, if one assumes that the thrust of the Bill is to make it easier for mistakes to be made—that is what we are talking about; we are making it easier for people to be missed out—there will be a greater likelihood that ordinary trade union members will not have their views taken into account. They will quite rightly ask why they are being denied a say, and they are certainly a group that we should have in the forefront of our minds when we are deliberating on which way we should vote on this Bill.

The second group is the trade union members who are consulted. Regardless of whether they are consulted in support of or against any particular proposed industrial action, there is a real danger that their hard-earned moneys, which are paid over as union subscriptions and union dues, will be wasted and lost in the pockets of the

[Mr Nuttall]

lawyers and in payment of court fees while day after day is spent debating in the courts the merits and demerits of the Bill.

The third group is the employers. Where is the line to be drawn? The law already allows small accidental failures to be disregarded and it is reasonable to assume that the Bill is seeking to relax those provisions. It does prompt the question of what degree of error is now to be disregarded. I would ask the House to accept that as the current description is "small", the proposed disregard must by definition be a level higher than "small". The question is what degree of disregard is greater than "small". Is it, for example, "quite small", but not "small"? Is it "little", but not "small"? Is it "modest", but not "small"? Perhaps it is not "quite small", "little" or "modest", but in fact—I suspect that this is where the law is intended to go—quite a major failure. We are moving towards "substantial compliance" allowing for quite major failures of the law and allowing fairly major breaches of the law to be disregarded. That cannot be right.

Brandon Lewis: A couple of issues come to mind. Does my hon. Friend agree that as well as moving employers into a position where the onus would be on them, so they could be seen as aggravating the situation by doing research into any potential disregards, there is also the chance—as he has said—that although what is currently seen as being small is hard to define, if it is in law it has the ability to grow even once it has been refined? What we see as small in one case might become larger and larger as time goes on. The value of members who are unable to use their vote and are not given the opportunity because of an accident or mistake is devalued, rather like constituencies in which we have more people with less value to their vote.

Mr Nuttall: My hon. Friend makes a reasonable point. One difficulty in defining a small or minor error is the size of the electorate. Something that could be regarded as a small error that could be safely disregarded in one trade union would not be appropriate as a matter to be disregarded in another trade union. Even when a conclusion has been reached in proceedings that might at first sight result in apparent settlement of the law, that is not necessarily the case if the union involved is the size of Unite rather than the size of the garment workers' union, which might have nowhere near the same number of members. This is an important issue that will affect employers and the law will not be clear even after the Bill is passed.

Andrew Bridgen: Perhaps I could bring to my hon. Friend's attention another complication that might not have been considered of the possible implications of this Bill. If we move the burden of proof from the unions to the employers regarding substantial compliance with the provisions and the phrase

"on a scale...unlikely to affect",

does my hon. Friend agree that there could be a field day for the lawyers when employers, perhaps reasonably, claim that the unions have not complied fully by providing them with the information they need to decide whether there has been substantial compliance with the Bill or whether any errors are on a scale unlikely to affect the Bill's provisions? Would that not therefore require further legislation to give employers the rights to obtain the information from the unions in a reasonable, timely and full fashion? That is yet another field day for the lawyers and, yet again, will fail to achieve the aims of the Bill.

Mr Nuttall: My hon. Friend is quite right. That is a point that I did not consider fully—I apologise for that—when going through clause 1(3). There is a risk that that subsection, taken together with subsection (5), will mean that the employer now has the problem—it will be a problem—of bringing before the courts evidence that there has been substantial compliance or non-compliance. All the evidence might well be in the hands of the trade unions, and it will be very difficult for an employer to be able to satisfy a court and, under this Bill, they would have that responsibility. Employers would have that burden placed on them. How on earth can they be expected to fulfil and meet that requirement when the information is in the hands of the trade unions? As my hon. Friend reasonably and rightly says, it would perhaps be more understandable for there to be a provision in the Bill to require the information that the court needed to be handed over so that there could be no doubt that there was a full requirement for the trade unions to hand over to the employer all the relevant information to enable the employer to submit an action to the court. Without that information, the employer would have no reasonable basis on which to instruct their solicitor, and there would be no way for a solicitor to instruct counsel, because they would not have the facts and figures to enable them to make their case.

Charlie Elphicke: My hon. Friend is making a technical and detailed speech, but do I understand his case correctly? Is it that the Bill will create uncertainty for trade unions and employers, and that it will benefit lawyers and result in a massive wodge of cash for them? That is just what happened when the previous Government handed over all coal compensation cases to a bunch of lawyers. Surely that is unacceptable.

Mr Nuttall: My hon. Friend makes a good, reasonable point. The law would not be clarified in any way by the Bill, but there is a real danger, as I have pointed out, that it would take us back to the situation we faced in the 1970s and 1980s. Much of the case law would be made redundant, and we would face yet more legal actions—

Madam Deputy Speaker: I know that the hon. Gentleman wants to make a number of points on the Bill, but he is repeating himself; he has come back to those points on a number of occasions. Perhaps he could carry on with the rest of his comments, rather than telling the hon. Member for Dover (Charlie Elphicke) what he has already said.

Mr Nuttall: I will indeed. I was just dealing with the intervention.

Philip Davies: Although my hon. Friend the Member for Dover is right, the category of person that appears to be in danger of being ignored in this debate is not the trade unions or employers but the paying public—the

customers. At the end of the day, it is they who are most inconvenienced by all the strike action. Does my hon. Friend the Member for Bury North (Mr Nuttall) accept that if the Bill were to have a Second Reading today, it is not the impact on trade unions or employers that should be at the forefront of our mind, important though that is, but the impact on the customer and the paying public?

Mr Nuttall: My hon. Friend is quite right. He has perhaps anticipated my fourth point. I was about to say that fourthly, and perhaps most importantly, there is the question of the paying public, who would be the ones most affected by the changes. I am concerned that if the law is changed, we will see a return to the dark days of the 1970s. I am concerned for my constituents in Bury North—for the working mum who is forced to make last-minute arrangements for child care because teachers have gone on strike; for the small business man who is waiting for a customer's cheque to arrive, and who faces the ruin of his business because the postmen have gone on strike; for the taxi driver who needs to renew his licence, and faces the loss of his livelihood because he is preventing from renewing it because the officials in the town hall are on strike. I could go on and on; there are so many categories affected. Earlier, we touched on the family who save for, and look forward all year to, the one holiday that they have, and who are then denied the opportunity to go because one small group of workers has withdrawn its labour and gone on strike.

The law as it stands cannot be that difficult to comply with. The 2009 "Annual Abstract of Statistics" issued by the Office for National Statistics has details of how many working days were lost through labour disputes by industry in 2009. It shows that in transport, storage and communications, 657,000 working days were lost. In public administration and defence, 325,000 working days were lost. The figure was 31,000 in education; 16,000 in manufacturing; 5,000 in health and social work; 4,000 in other community, social and personal services; 2,000 in construction; and 2,000 in other industries and services. So it is not impossible to comply with the law as it stands. All those industrial disputes were able to proceed, quite lawfully, under current legislation.

Let me conclude by saying that the Bill risks taking the trade union movement back to the 1970s and '80s. I submit that it represents a huge missed opportunity to modernise the trade union movement. It tries to simplify existing legislation, but it runs the risk of creating new uncertainties. It introduces the concept of "substantial compliance"; and, as I say, lawyers must be rubbing their hands with glee at the thought of spending more time in court. Those words would have to be tested in the courts, because we know nothing of what they actually mean.

The Bill does nothing about the underlying problem that it seeks to solve. It does nothing to help the trade unions, or those engaged by them, to conduct the ballot in accordance with the letter of the law. After all, the issue is the will of Parliament and ultimately, therefore, the will of the people. The level of compliance is set where it is because that is where the public want it to be. For the sake of hard-working families who fear having their everyday lives disrupted by a return to the disastrous days of some three decades ago, we should not allow the Bill to proceed.

Having considered the merits and principles of the Bill, I am not persuaded that it is a sensible way forward. I am not convinced that the changes it seeks to make would, in any way, shape or form, improve on the existing law. Indeed, I would respectfully submit that the provisions would introduce a whole new area of uncertainty into trade union law, and that would be bad not just for the trade unions and employers, but for our economy. In short, it would be bad for Britain. For all those reasons, I propose voting against the Bill, and I urge the whole House to do likewise.

11.38 am

Nia Griffith (Llanelli) (Lab): I congratulate my hon. Friend the Member for Hayes and Harlington (John McDonnell) on securing this debate on his Bill. He is renowned for his determination in campaigning on issues such as the one that we are discussing.

The overwhelming majority of employers, as well as trade union leaders and their members, working in a wide range of contexts and within different structures, recognise that good employer-employee relations are crucial in an increasingly competitive world. They recognise the importance of good communications and clarity in respect of negotiating structures. They recognise the need to exercise responsibility and show restraint. Indeed, during the economic downturn, trade unions and employers have made some very difficult and responsible decisions; employees have accepted pay freezes or agreed to work fewer hours, with a subsequent drop in take-home pay, to avoid redundancies and keep their companies in business.

On a more optimistic note, only last week we heard a very good news story: Jaguar Land Rover and the trade unions reached a landmark deal which will mean a multi-million pound investment in the Jaguar Land Rover business here in the UK, securing the future of the three plants at Castle Bromwich, Solihull and Halewood, creating 5,000 new jobs and safeguarding up to 50,000 jobs in the supply chain, including jobs in my constituency, Llanelli, where there is a ThyssenKrupp Tallent plant that supplies components to Jaguar Land Rover. This would not have been possible without the brave leadership of Unite, leading a ground-breaking change and flexibility agreement.

Indeed, day and day out, behind the scenes and away from the glare of publicity, trade union leaders and employers negotiate and reach agreement. They see industrial action as the last resort. They understand the importance of a properly conducted ballot in enabling employees to express their views before taking strike action.

The Opposition recognise the importance of legislation in providing a proper framework in which to work, and during our time in office we introduced several measures to improve rights at work and to help to provide security at work. On trade union protection, that means that every worker now has the right to be a member of a trade union and to be represented in grievance and disciplinary hearings. It means that if a majority of workers in a workplace want it, employers have to recognise a trade union. More than 1,000 new trade union recognition deals have been signed since 1999. We also improved protection against unfair dismissal, with protection now kicking in after 12 months in a job instead of two years, and the maximum compensation has risen from £12,000 to £66,200.

[Nia Griffith]

The Opposition are committed to ensuring that trade unions operate within a strong legal framework. That means ensuring that strikes cannot take place without a properly conducted ballot, but the way in which the law has developed in recent cases is undermining the intention of the 1992 Act. In recent years, employers have successfully challenged ballots, not because there was any doubt about the view of the majority of those balloted, but because of minor technical non-compliance that had no impact on the result. It has created a lawyers' charter, with the main beneficiaries being lawyers. It has encouraged employers to seek legal loopholes rather than get on with the real business of negotiating. The current situation is unsatisfactory and is undermining confidence in the law among trade union members. If trade unionists believe that the law is being used wrongly to stop lawful and democratically agreed activity, it is likely to lead to very considerable frustration and to encourage unofficial action, actions organised over the internet, and wild-cat strikes outside the law and outside democracy. That will help nobody.

In the recent BA dispute, one judge pointed out that the purpose of the legislation

"is not to create a series of traps or hurdles for the union to negotiate",

but

"to ensure a fair, open and democratic ballot."

The Appeal Court overturned an injunction that had been granted to the employer on the grounds that the requirements for strike ballots had been interpreted too narrowly. There is a clear need to restore the original intention of the 1992 Act, together with a minor extension to the original legislation to cover the sections relevant to the requirement to give notice to an employer before a ballot is held and to give notice before industrial action commences. This Bill provides an important opportunity for Parliament to consider these issues.

There may be more than one way to achieve the Bill's objective. Although the Opposition recognise the need to restore the original intention of the 1992 Act, we cannot today endorse the particular legal mechanism proposed in this Bill. It would reverse the onus of responsibility to prove that the ballot would not have affected the result by placing the onus on the employer. I am very clear that an alternative would be to ensure that trade unions could establish clearly that minor errors that would not have affected the outcome of the ballot would not be the basis for legal action.

Although I am grateful to my hon. Friend for providing the opportunity for Parliament to debate this issue, further careful consideration should be given to the best way forward. It is of course the Government who must take responsibility for participating fully in—indeed leading—this debate. The law that both sides defend today was introduced by a Conservative Government. It is that law, working properly, that should be at the heart of the law governing lawful strikes. The Government must share the desire to ensure that we do not see any growth of illegal, undemocratic or unofficial strike action. I hope the Minister will indicate the Government's willingness to respond positively to the issues raised today. Today we are discussing a private Member's Bill, and it should be in the hands of the House to decide whether it should make progress.

11.45 am

Charlie Elphicke (Dover) (Con): It is not my intention to speak at great length or to filibuster the Bill, but it does need legislative scrutiny. I take issue with the hon. Member for Hayes and Harlington (John McDonnell) who suggests that any desire to scrutinise, examine or otherwise consider this Bill is somehow reprehensible or wrong. After all, the Opposition spend most of their time doing that to Bills, and when we put pressure on them they roundly criticise us for not allowing proper scrutiny. It is right that this House should scrutinise Bills.

The new intake may be new, but we are not naive. We have been sent here to scrutinise legislation and to clean up politics. For many of us in the new intake, the behaviour of previous Parliaments and the disgraceful abuse of expenses were unacceptable, inappropriate and wrong. The disrespect to this House—including its symbols—by Members of the previous Parliament was inexcusable, inappropriate and wrong. To bring before this House a private Member's Bill that is obviously controversial and highly partisan in nature is an outrageous and disgraceful thing to do. This day should be for legislation that will pass with the support of both sides of the House. It is wholly wrong and inappropriate to waste the time of this House by bringing before it legislation that will divide it. There are other issues that we could have been discussing today on which the House is united and agreed. I say to the hon. Gentleman that it is inappropriate, inexcusable and wholly wrong to do this to this House and the other Members who have legislation to be considered today. We could have been passing useful law today, but I do not think that that will happen. We could have been talking about matters that unite us, but for which there is too little parliamentary time.

I especially condemn the hon. Gentleman because not only does his Bill lack support on this side of the House, but—as we have just heard from the hon. Member for Llanelli (Nia Griffith)—it lacks support on his side of the House.

Mr Nuttall: That point is important. When I made my brief comments, I was not aware of Opposition Front Benchers' stance, but I am not surprised because the Labour Government introduced the provisions in 1999 and therefore it is to be expected that Labour Front Benchers will stand by what they said. The provisions have stood the test of time and no one has sought to change them before now.

Charlie Elphicke: I agree with my hon. Friend, who makes a powerful point. The Bill is highly technical and seeks to change things that seem technical, but it has the support of no major party in the House. The Bill is also highly controversial in that it seeks to extend the right to strike, but in reality would extend only uncertainty and the getting of money by our legal friends—I used to be one, I regret to confess. We should not proceed in that way.

As a member of the new intake, I was driven to be here today at the request of several constituents, who wrote to me. One letter stated:

"John McDonnell's Lawful Industrial Action (Minor Errors) Bill will have its Second Reading in the House of Commons on 22 October and I urge you to attend Parliament to ensure this takes place.

The Bill has been introduced in response to a raft of recent cases where courts have ruled"

as we have heard, and I will revert to that shortly. The letter goes on:

"These cases have meant British law now imposes fetters on unions in relation to ballots which are unprecedented in Europe".

That piqued my interest. I thought that I had to respond to my constituent because, unlike Members of Parliament in former times, I believe in writing back to my constituents and taking an interest in that in which they wish me to take an interest. I am nothing if not a servant of my constituents.

I therefore read the Bill and the explanatory notes. Paragraph 6 of the explanatory notes, which, I believe, the hon. Member for Hayes and Harlington wrote, states:

"A number of recent judicial decisions have revealed a degree of uncertainty on the scope and application of section 232B—for example, in the meaning of 'accidental' in subsection (1)(b). The cases have also highlighted, among other things, that the section does not apply to errors, however minor, in the giving of notice under section 226A or 234A. It remains unclear where the burden of proof lies in the event of a dispute as to whether an error involves loss of the protection of section 219."

Yet, as we have heard in the debate, the Bill creates a new uncertainty. Those provisions of trade union law have been in place for the past two decades and more, and they are well understood by the courts and the legal system.

Will introducing the new test of "substantial compliance" help the unions? I do not think so. It will help create uncertainty and it will help lawyers, but it will not help the trade unions. I say that as someone who is broadly a supporter of trade unions and their legitimate right to use their economic power to withdraw their labour if that is the collective democratic will. As a supporter in principle of the right to strike, I think that the Bill is wrong because it creates a new uncertainty where certainty had been garnered over time. As a supporter of trade unions, I think that the measure's aim is wrongful; as a supporter of employers, I do not believe that their time should be taken up in instructing lawyers and coping with new uncertainty. They need some certainly for their business planning.

Is the Bill necessary? Paragraph 7 of the explanatory notes states:

"In May 2010 an interim injunction was granted by McCombe J in British Airways plc v. UNITE the Union on the basis of alleged failure to comply with the provisions of section 231 of the 1992 Act regarding information about the result of a ballot. The Court of Appeal... reversed that decision."

It threw out the injunction. The explanatory notes continue:

"Smith LJ stated that 'it appears to me very likely that the judge at trial would hold that there had been substantial compliance'".

The explanatory notes cite a case as the mischief that necessitated the Bill, when it actually proves the opposite. Paragraph 7 goes on to say that in paragraph 149 of the judgment, Lord Justice Smith

"observed: 'I consider that the policy of this part of the Act is not to create a series of traps or hurdles for the Union to negotiate. It is to ensure fair dealing between employer and Union and to ensure a fair, open and democratic ballot'... However, the other two members of the Court reached their decision on different grounds."

The hon. Gentleman's case is that a mysterious uncertainty remains over the effect of insubstantial errors on the operation of the ballot and notice provisions, but I think there is no such uncertainty. It seems to me that the Court of Appeal ruled fairly and squarely in favour of discharging that injunction. The mischief cited as a reason for introducing the Bill seems, when one gives it close examination and reads it with some degree of care, not to be a mischief at all.

Jacob Rees-Mogg: I would be extremely grateful if my hon. Friend, as a lawyer, explained to us whether the Court of Appeal's decision is precedent-setting for future judgments.

Charlie Elphicke: My hon. Friend is absolutely right. Court of Appeal decisions, by our system of precedent, bind future decisions of that court and all lower courts. As I am sure he knows, only the Supreme Court can change and overrule a precedent. That is highly unlikely, and highly unusual in cases such as BA *v.* Unite

Mr Nuttall: One real danger of the Bill is that the current set of established legal precedents would effectively become worthless. We would be back to square one, because new section 232B of the Trade Union and Labour Relations (Consolidation) Act 1992 has not been considered by the courts.

Charlie Elphicke: I completely agree with my hon. Friend, who makes a strong, powerful point. The situation is that the hon. Member for Hayes and Harlington alleges an uncertainty that seems not to exist.

The Bill would seem on the one hand to reverse the burden of proof, and on the other to introduce a concept of substantial compliance that creates even more uncertainty. As a former lawyer, I know that the concept "substantial" is relatively well understood: it normally means 80:20. However, substantial compliance in the context of the Bill creates a further question. What is 80:20 in terms of compliance?

Mr Nuttall: Is my hon. Friend suggesting that 20% of members need not be consulted? Would that be regarded as substantial compliance under the Bill? That would be outrageous.

Charlie Elphicke: My hon. Friend makes a good point. What does substantial compliance mean? I am not sure. The hon. Member for Hayes and Harlington really should have drafted the Bill properly to include a proper definition of substantial compliance. That might at least have earned Labour party support, if not necessarily Conservative support. If before laying the Bill without any discussion he had worked with the Government, it might have been less controversial. He could have worked with his own party to produce something that could achieve the kind of consensus that there should be for private Members' Bills.

Andrew Bridgen: The salient point is on substantial compliance. Imagine if in canvassing our constituents we were to "substantially comply" with a ballot by delivering papers only to the 80% of people we thought likely to vote in the direction we wanted. Would that be substantial compliance or democracy?

Charlie Elphicke: My hon. Friend asks a fair question. Would it be okay to have substantial compliance in electoral law? I have received letters from the Electoral Commission threatening all manner of prosecution if I do not comply completely with absolutely everything. Should politicians and campaigners only "substantially comply"? Must an employer substantially comply when it comes to dismissing a member of staff? I do not think so. That is not how employment law works. The rules on compliance are strict, and rightly so.

Jacob Rees-Mogg: It is extremely generous of my hon. Friend to give way once again. The concept of substantial compliance is desperately worrying, because if in a Division of the House we had had only to be substantially compliant on an 80:20 basis, the result could almost always be reversed.

Charlie Elphicke: I thank my hon. Friend. He makes a fair point. There are many cases in which there should be full and proper compliance—for instance, in an investigation by an employer into staff misconduct. An employer seeking to dismiss a member of staff should comply fully with all the procedures under employment law and employment practices, and likewise a trade union wanting to strike should be fully compliant with the procedures for all the notifications and other regulations that go with it. That is the right way to do things. It is not good enough to say, "Employers' behaviour has to be perfect"—and politicians nowadays, we learn belatedly, have to be perfect, or at least try to do the right thing most of the time—"but it is okay for trade unions broadly to do what they like and not to comply with anything." That seems to be the thrust of the argument put by the hon. Member for Hayes and Harlington.

To return to my central point, the hon. Gentleman knows that his argument will never have the support of Government Members. He might one day garner the support of the Labour party, but it will never have our support. I enjoin him to reconsider whether he really wants to put this Bill to the House, given that there are so many uncontroversial Bills that we could, and should, be discussing and putting to the House on which there is broad agreement. He should withdraw it on the grounds that it is wholly inappropriate for a controversial private Member's Bill to be put to the House in this way, killing a whole load of other business. He knows that we have no option or choice, because of our philosophy and viewpoint, other than to oppose the Bill. Even the Labour party leadership takes the view that the Bill should not be supported. I therefore invite him to consider withdrawing the Bill.

12.1 pm

Philip Davies (Shipley) (Con): It is a pleasure to participate in the debate. I congratulate the hon. Member for Hayes and Harlington (John McDonnell) on getting off the blocks more quickly than anybody else and having his private Member's Bill debated on the first available day. I am probably slightly more generous than my hon. Friend the Member for Dover (Charlie Elphicke) in that, even though I do not agree with the Bill, I think that the hon. Gentleman is perfectly entitled to introduce legislation that he feels is important to him and his constituents. However, I share my hon. Friend's frustration that that means that more worthwhile private Members' Bills could be sidelined today. That is extremely unfortunate.

I would say in passing, Madam Deputy Speaker, that although it is good to see you in the Chair, it was a great pleasure to see Mr Speaker in the Chair for the start of the debate. Recently, it had got to the stage when the Speaker was rarely seen on a Friday for private Members' Bills, but his appearance today shows how important such Bills are to Parliament. I hope that you, Madam Deputy Speaker, will pass on my thanks to him for giving Fridays the respect they deserve by attending the start of the debate.

I was disappointed that the hon. Member for Hayes and Harlington and his hon. Friend on the Front Bench, the hon. Member for Llanelli (Nia Griffith), decided to take a novel approach to debates in the House by not wanting to take interventions. The House of Commons is not a lecture theatre but a debating chamber, and often during debates and through interventions we can tease out the strengths and weaknesses of legislation. I hope, therefore, that that trend will not be repeated in future weeks and debates on private Members' Bills. I found the opportunity to intervene, and the reply given was actually quite informative, so I say to the hon. Lady that taking interventions in a debate is to be commended, because it allows us to tease out the issues.

Mr Nuttall: Had interventions been taken, we might have got on a lot more quickly this morning, because we could have got answers to some of the questions I raised. Instead, we were left hanging in the air. Had the hon. Member for Hayes and Harlington (John McDonnell) taken one or two interventions, we would not be in this position, because he would have been able to deal with those matters straight away.

Philip Davies: I tend to agree with my hon. Friend. As it happens, I am a fan of the hon. Member for Hayes and Harlington, who is a great parliamentarian. However, it was rather uncharacteristic of him to make it abundantly clear at the start of his speech that he did not want to take any interventions. My hon. Friend pointed out that he had not provided a definition of substantial compliance in the Bill, which made it all the more unfortunate that the hon. Gentleman started by saying that he did not want to take any interventions, and woe betide anyone who tried to intervene—that was the gist of his starting point—because otherwise we might have been able to ask him what he thought substantial compliance meant. That might have shed some light on the matter.

Andrew Bridgen: Is not the reason why the hon. Member for Hayes and Harlington (John McDonnell) did not take any interventions in his opening statement that he did not have any answers to the interventions that were coming? As we have shown today, this Bill has more holes in it than a Swiss cheese.

Philip Davies: There may be an element of truth in what my hon. Friend says. The hon. Member for Hayes and Harlington tried to describe the Bill as a simple and non-contentious piece of legislation that, really, nobody could possibly quibble with, and it was helpful to him in presenting that case not to take any interventions, so that none of the flaws in the Bill could be exploited.

Nick de Bois (Enfield North) (Con): Perhaps the hon. Member for Hayes and Harlington (John McDonnell) regarded his view—and his view alone—as substantive and sufficient grounds to go along with the Bill. I think we have demonstrated that that is not necessarily so wise.

Philip Davies: My hon. Friend is right. One of the things that I have learned in my short time in Parliament is that those on the Labour Benches tend to be very intolerant of anybody who holds a different opinion from theirs. I do not think that is particularly sensible in a parliamentary democracy.

It is a great pleasure to follow my hon. Friends the Members for Dover and for Bury North (Mr Nuttall), who both made tremendous contributions to this debate. I particularly want to commend my hon. Friend the Member for Bury North on his bravura performance in filleting the Bill and pointing out its many flaws, which hon. Members on both sides of the House were perhaps not aware of until he made his contribution. When I was first elected to this place, my mentor in Parliament was the late, great Eric Forth, the former Member for Bromley and Chislehurst. It is fair to say that he will be smiling down on us after the performance that my hon. Friend has given today, in the knowledge that his memory lives on in another guise. My hon. Friend should be extremely proud of the contribution that he has made to this debate.

As it happens, I perfectly understand the frustration felt by the hon. Member for Hayes and Harlington and his motivation for bringing the Bill forward. On the face of it, I understand why some trade unionists in the cases that he identified—he quoted a couple of cases that were illuminating, and I want to touch on that later—felt that although a substantial majority were in favour of strike action, they had been thwarted by their employers through the courts on a technicality. His Bill is an attempt to deal with that problem, and I certainly understand his motivation. However, I think that he is misguided, for a number of reasons, and I want to explain why.

I want to start by simply looking at the Bill from the hon. Gentleman's perspective of wanting to do the best for his friends in the trade unions, by trying to enable them to pursue strike action more readily when they feel that it is in their interests to do so. The first reason is the one that my hon. Friends the Members for Dover and for Bury North both mentioned, which is the fact that we are now getting some clarity in the original law. Given that the hon. Gentleman has received a favourable verdict from the Court of Appeal, it seems bizarre that he should want to rip up the law that delivered that favourable judgment and start all over again. I hope that, when he sums up the debate, he will explain why he does not accept the favourable judgment of the Court of Appeal, and why he wants to start all over again, with all the uncertainty that that brings. I cannot see any logical reason for doing that. Perhaps his decision to introduce this private Member's Bill was made before the Court of Appeal's verdict, in which case perhaps he might wish to reflect on whether it is now surplus to his requirements.

I do not believe that the Bill addresses the frustrations of the trade unions. The problem in some previous cases has been the wording of the law, and its interpretation, but the law does not need to be completely ripped up. It simply needs clarification or very minor tweaking. My hon. Friend the Member for Bury North pointed out that the current legislation requires unions to provide employers with notice of ballots on industrial action, and to provide exact numbers, workplaces and categories of those to be balloted and their addresses. It also states that any errors must be

"accidental and taken together are on a scale which is unlikely to affect the result of the ballot".

That is the law as it stands.

As we have rather helpfully teased out in the debate, the existing law does not state that the errors should be accidental or on a scale unlikely to affect the result of the ballot. I think that this is the point that the hon. Member for Hayes and Harlington was trying to make. He and the unions seem not to like the fact that the existing legislation provides for the fact that the errors must also be accidental. All the focus has been on the fact that mistakes were on a scale unlikely to affect the result of the ballot and that the strike action should have been allowed to continue on that basis alone. He did not seem to like the fact that court was also including the test of whether the mistakes were accidental, as the law currently requires. We can argue about whether that is a good idea, but I suggest that he would be far better off simply making a small amendment to the existing law, replacing the word "and" with the word "or". That would appear to solve his problem.

I do not particularly agree that we should change the law in that way, because I believe that the current provision is a good one, but from the hon. Gentleman's perspective, he needs only to make a very small change to deliver what he and his trade union want. It would be much more sensible and simple for him to go down that route.

Charlie Elphicke: Picking up on that point, I would not want the House to think that I intended any personal disrespect to the hon. Member for Hayes and Harlington (John McDonnell), who has brought the Bill to the House with the noblest of intentions. My frustration, as a new Member, is that we might lose the rest of today's business because we cannot vote against this measure in the way that should be possible. I put it to my hon. Friend the Member for Shipley (Philip Davies) that the previous Government did not always listen to the hon. Member for Hayes and Harlington or give him the respect that he deserves, and I hope that the new Government will listen to his proposals in greater detail, and not simply knock them out of court, so that they can be adopted and bring new clarity and certainty to trade union law.

Philip Davies: I am grateful to my hon. Friend for his intervention. Anyone who knows him will know that he would never intend any discourtesy to anyone, and I had certainly taken that as read, but I am sure that the hon. Member for Hayes and Harlington will be grateful to him for that clarification. My hon. Friend certainly did not need to explain that to me, however; knowing him as I do, I know that he would never be discourteous to anyone on either side of the House.

There are simpler ways for the hon. Member for Hayes and Harlington to pursue his campaign, although I would not necessarily endorse them. Part of the hon. Gentleman's frustration is not to do with the law as it stands. How could it be? As we have explored, the Court of Appeal agreed with his particular standpoint. He cannot therefore have any quibble with the law as it stands. I think the hon. Gentleman's real quibble is with judges who grant injunctions and the basis on which they do so.

The hon. Member for Hayes and Harlington certainly needs no advice from me—neither does anybody else for that matter—and I am sure that he will not take it, but I am certainly prepared to give it to him free of charge. My suggestion is that he start a campaign

[Philip Davies]

around the whole issue of judicial injunctions. What tends to happen when people seek an injunction from a judge—not just in this case, but in other cases, and we often see it in libel or privacy law—is that everything happens very quickly. That is why people seek an injunction—because something is about to happen very quickly. It might be a strike action within a day or two, or a story being printed in a newspaper that is going to have very damaging effects on somebody's reputation. That is why an injunction is sought at very short notice.

On what basis should a judge be able to grant an injunction? That is the issue. Let me deal with what happens when people seek injunctions. I feel rather nervous about making these points when I am surrounded by so many esteemed people from the legal profession. As a non-lawyer, however, let me clarify my observation of what happens. Because something is going to happen that could have a devastating effect—on a business, on customers or on somebody's reputation—judges are, in effect, risk-averse. If something is about to happen—an article to be published, a strike to take place—and there is some uncertainty over the law, a judge cannot go back and change the law to stop it happening. What judges quite understandably do is to take a risk-averse view. They feel that the law might need some clarification and it is not entirely clear whether something is legal or illegal, so they adopt the risk-averse option of granting an injunction on the basis that a court can overturn the injunction later. If an injunction is not granted, something cannot be stopped from happening after it has happened. That is why I think the hon. Gentleman might want to pursue the whole area of injunctions and the level of proof or certainty judges need before they can grant them. I believe that that would help his side of the argument; it would certainly be more helpful than promoting this Bill.

Mr Nuttall: Let me explain why my hon. Friend's point is a good one. When asked to grant an interlocutory injunction, the courts will by definition have to act very quickly, as he says. They do not have the time to consider all the evidence in detail, so if there is a prima facie case to grant an injunction, they will grant it—without looking into the merits of the case. My hon. Friend is quite right about that. This is perhaps the root cause of the Bill and the real concern that it addresses.

Philip Davies: I am sure that my hon. Friend is right. He got rather technical during the course of that intervention, at which point it went beyond my capabilities. The bit that I understood, however, I certainly agreed with. Knowing my hon. Friend as I do, I am sure that I would have agreed with the bits that I did not understand. I therefore commend whatever my hon. Friend said to the hon. Member for Hayes and Harlington who, having a greater intellectual capacity than me, will have understood everything that my hon. Friend said.

Charlie Elphicke: One oddity about injunctions is their application to Members of Parliament. They are very hard to enforce, given the freedom from civil arrest that we enjoy. Does my hon. Friend agree?

Philip Davies: I am being tempted by people who are more expert in the law than I am to comment on matters that they know far more about than I do. My hon. Friends can take it as read that I agree with them on any matter with regard to the law, because they are in a far better position to argue their case than I would be.

I am still warming to my theme of how the intentions of the hon. Member for Hayes and Harlington can better be advanced. His supporters in the trade union movement also take exception to the definition in legislation of "accidental". We can all probably accept the definition of making a difference to the result. If a certain number of ballot papers were affected, all of which voted one way, but the result would not have changed, the wording in the current law of,

"on a scale unlikely to affect the result of the ballot"

is perfectly clear. From that starts the frustration.

The issue is the "accidental" point. If the hon. Gentleman attacked that problem, as he sees it, by instilling some definition of "accidental" in the Bill, his supporters might find that a more fruitful way forward. In the case of BA, which he quoted most during his speech, the judge, summing up his ruling to grant an injunction, said:

"I do not consider that there is evidence capable either of establishing that UNITE held a reasonable belief in the entitlement to vote of all its members, or enabling it to rely on an 'accidental failure' within section 232B."

The point that Unite was making was that any failings in its ballot were unintentional, and that that met the definition of "accidental". The judge said in his conclusion:

"In my judgment, an unintentional failure, as it was categorised by"

Unite—

"in the circumstances of this case, cannot be regarded as an accidental failure within the meaning of that section, even applying a purposive construction to its provisions."

Therefore, the problem for Unite was that it did not get over the first hurdle of "accidental". The problem was not, as the hon. Gentleman said, in relation to the test of

"on a scale unlikely to affect the result of the ballot"

the judge did not even get to that—but that, as far as the judge was concerned, Unite had not got over the "accidental" hurdle. The hon. Gentleman's unhappiness with the existing legislation can be only with the definition of "accidental". If he wishes to move things forward, from his perspective, I suggest that he do so by instilling a definition of "accidental" that meets his requirements.

Mr Nuttall: My hon. Friend makes the point, which was touched on earlier, that the way around the problem, with which the judge had to deal when considering the case, relates to the current provision's use of the word "and". If the Bill were to introduce the word "or", one could easily understand the rationale for it.

Philip Davies *rose—*

Madam Deputy Speaker: Order. I think that the hon. Member for Shipley (Philip Davies) has already made that recommendation about how the Bill could be better drafted. We might be repeating the point.

Philip Davies: It is a red letter day for me, Madam Deputy Speaker, because I have just found out that you were listening to my speech.

Madam Deputy Speaker: Order. May I say, Mr Davies, that I listen to every Member of the House's speech, and I particularly listen when you are speaking. As you are such an accomplished parliamentarian, it behoves the Chair to concentrate.

Philip Davies: You are very kind, Madam Deputy Speaker. It really is a red-letter day now. I shall put that in the literature I will distribute at the next election. However, what surprised me was not just that you were listening to my speech, but that anyone was listening to it. I am afraid that my experience is usually otherwise.

I hope that the hon. Member for Hayes and Harlington will accept at least some of my suggestions of alternative ways in which to promote his side of the argument.

Jacob Rees-Mogg: I too have been listening to my hon. Friend's speech with great interest. Does he believe that the Bill could be amended in Committee, or does he think that we should vote it down and kill it off as early as possible?

Philip Davies: I am grateful to my hon. Friend. I hope that I shall have the pleasure of listening to his own speech today, because I enjoy his speeches immensely.

I intend to develop this point further, but my direct answer to my hon. Friend's question is that I believe we should vote against the Bill. I do not think that any of my suggested alternatives could be incorporated into an amendment, because the Bill goes off at a tangent to them.

At the beginning of his speech, the hon. Member for Hayes and Harlington said that, although others might perceive flaws in the Bill, it should proceed straight to Committee, where any such flaws could be ironed out. That strikes me as an argument for never giving a Bill a Second Reading. As my hon. Friend the Member for Bury North helpfully pointed out, the Bill has two clauses, and given that both appear to contain flaws, I do not think that amending them in Committee is an option. We should try to vote them down and start again from scratch. The fact that I have given advice to the hon. Member for Hayes and Harlington does not mean that I would agree with any of the amendments that I have suggested should he introduce them; I merely think that they would help him to deliver what he wants to achieve.

In deciding whether to approve the Bill, we must also decide whether it is necessary. It was, I think, my hon. Friend the Member for Dover who suggested that it was a solution looking for a problem. I hope that when he sums up his argument, the hon. Member for Hayes and Harlington—with his court verdicts in the bag—will tell us what problems the Bill solves, because all the evidence that he gave earlier involved problems that have now been cleared up by the Court of Appeal. It would be helpful if he told us about any current problems of which he is aware, because it seems to me that the Bill is wholly unnecessary.

Charlie Elphicke: Does my hon. Friend agree that the errors in the Bill, although themselves minor, prevent us from supporting it today, and that we should enjoin the hon. Member for Hayes and Harlington to work positively with the Government to find a way of dealing with his concerns? That would enable the trade unions' own concerns to be taken on board properly, would enable us to vote on them properly if it were found that the law needed to be changed, in Government time, and would ensure that account was taken of any merits in the hon. Gentleman's argument. His Bill might then actually hit the statute book.

Philip Davies: I am sure that my hon. Friend is right. As it happens, I am content with the law as it stands. I shall be interested to hear what the Minister has to say. I do not know what he will say and I do not want to pre-empt it, but I hope he will say that the Government have no intention of changing the current law, because, as the court has ruled, it is perfectly adequate. I am sure that the Government will always work closely with any Member if they feel that an injustice needs to be corrected, but I am not sure that that is the case in this instance.

Mr Nuttall: On 21 June 2010, the BBC carried a report headlined "Government shuns call to change strike laws". The report said the Government had indicated that there were "no plans" for alterations in the law on industrial action. That might help my hon. Friend. It will be interesting to see whether the Minister has changed that position.

Philip Davies: That is helpful and I am grateful to my hon. Friend for his intervention. Knowing the Minister as I do, I am sure that his position has not changed in the short time since then, because he is a very solid chap who would not change his mind so loosely and so quickly. Therefore, we need not worry about that, but we will listen with interest to what he says.

It is important to note that the original legislation that the Bill tries to change—the Trade Union and Labour Relations (Consolidation) Act 1992—gave protection to trade unions; it was not anti-trade union. Some of its provisions protect the rights of workers in a union that takes action, if necessary by striking, to defend and support their interests when reasonable notice is given and in contemplation or furtherance of a trade dispute. The Act protects the rights of workers to organise in or leave a union without suffering discrimination or detriment. It also defines trade unions and states that they are subject to legal rights and duties. It provides a framework for unions to engage in collective bargaining for better workplace or business standards with employers, so the thrust of the legislation already on the statute book should be welcomed by Opposition Members.

On the proposals of the hon. Member for Hayes and Harlington, the Institute of Employment Rights states that the purpose and effect of the Bill is to ensure that small accidental failures in ballots will be disregarded. I am not entirely sure that that is entirely the case, because my understanding of the existing legislation is that it does just that—it provides that small accidental failures in ballots will be disregarded. That is the wording of the existing legislation. The hon. Gentleman is trying to change it so that, so long as unions have demonstrated substantial compliance, such failures will be disregarded.

In passing, I wonder about the titles of Bills, because they often seem to contradict completely their supposed purpose. For example, the Equality Bill was about all sorts of things but it certainly was not about equality. The Bill that the previous Government introduced to restrict jury trial should have been called the "We think

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the public are thick Bill". We should have some honesty about what Bills are trying to do. This Bill is called the Lawful Industrial Action (Minor Errors) Bill, but it seems that it is not trying to stop minor errors being taken into account, as the law already does that; it is trying to allow unions to be able to make some major errors in the ballot and have those disregarded, too. If the hon. Gentleman ignores all my earlier advice, which I am certain he will do, and brings back the Bill at another date, if he does not manage to get it through on this occasion, I will ask him for the sake of clarity to change the title to the Lawful Industrial Action (Major Errors) Bill because then we might have a better idea of what we are dealing with.

The Institute of Employment Rights also claims that minor errors in the information about the result of the ballot will be disregarded and forensic examination of procedures will end. That will worry people. The institute says that the forensic examination of procedures of unions carrying out their ballots will end and be replaced just with the concept of substantial compliance. I am not sure that the hon. Gentleman is renowned for having a laissez-faire attitude to things, but he certainly has a laissez-faire attitude to the running of ballots if he does not think that forensic examination of the procedures involved in the running of a strike ballot should be taken into account.

As we have heard, the burden of proof in injunctions will shift in that evidence will be required that substantial compliance has not taken place. How on earth can we expect the employer to carry out that burden-of-proof task of saying whether or not a union ballot was substantially compliant? Others have made that point, but it has to be emphasised because, clearly, only the union itself can demonstrate whether the ballot was substantially compliant. How on earth can the employer make that decision when they have had no control over the running of it and do not have the necessary information? In the speech of the hon. Member for Hayes and Harlington? I heard no explanation of how on earth an employer could be expected to do that. I suspect that that is because the hon. Gentleman knows that the employer could not possibly do it, and that therefore this is a tactic to ensure that the employer will never be able to stop any kind of strike action because they will never be in a position to do so. I hope that in his summing up the hon. Gentleman will give some examples of how he thinks employers would be able to demonstrate clearly that a ballot has not been substantially compliant.

Even though the original legislation was passed in 1992 by a Conservative Government—for the purposes that I have outlined—it was amended twice by the previous Labour Government, in 1999 and in 2004, and, as my hon. Friend the Member for Bury North (Mr Nuttall) made clear, the provisions the hon. Gentleman does not like were supported by his party when it was in government. I have not researched this, and I would not want to embarrass anybody in particular, but I certainly hope the hon. Gentleman did not at that time vote for those proposals in a Bill that he must have thought was completely unacceptable. It would be interesting to discover how many of the Members who voted for it in 1999 are today up in arms and complaining that this is an unacceptable piece of legislation, because they seem to be complaining about their own legislation.

The Labour Government amended the legislation twice, therefore: in 1999 and again five years later. They had acquired five years of evidence of the workings of the legislation before they changed it for the second time, yet they did not take the opportunity to introduce the change the hon. Gentleman proposes. I can only presume that they did not do so because they thought the legislation was working perfectly well, and I venture to suggest that the situation is the same now.

The unions also argued in their earlier court cases that the current legislation was contrary to article 11 of the European convention on human rights. I am not a lawyer—and I am certainly not a human rights lawyer as I do not like the Human Rights Act and I would like it to be scrapped—so I do not know whether the unions are right. However, if the hon. Gentleman thinks the existing legislation is incompatible with that convention, his union members can take their case to the European Court of Human Rights. If he is right, they are therefore already protected in law. If he and the unions are absolutely certain that it contravenes the European convention on human rights they do not need to change the law through this Bill as they can be safe in the knowledge that the convention, which we are signed up to and which is enshrined in our legislation through the Human Rights Act, is in place.

It needs to be made clear at the outset that this Bill has some vehement opponents, ranging from think-tanks and the esteemed Mayor of London to the CBI. I believe that it was my hon. Friend the Member for Dover who said we are relying on business to get us out of the financial mess that we are in. We need the private sector to be flourishing, so we should take note of what it says with great interest. All those opponents argue that the balance of power between trade unions and employers has shifted too much towards the unions over the past 13 years. That touches on a point made by my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg), who said that perhaps we ought to be looking not at giving further powers to the trade unions and shifting the balance even further towards them, but at whether or not there should be greater regulation of the industrial action that is causing so much damage to our economy. He asked whether we should be considering that, rather than making such action easier.

The points that the hon. Member for Hayes and Harlington made seemed to suggest that his Bill was based on two cases. I could mention other cases, but I do not wish to detain the House unduly by going through all of them at length, as that would be unnecessary. The two cases that his remarks concentrated on were Network Rail *v.* RMT and British Airways *v.* Unite. I just want to touch on those cases and the reasons why they are not a good basis on which to introduce this Bill.

Mr Nuttall: I just want to clarify things so that we are talking about the right judgment. There are two cases with the same title and the only way of differentiating them is by the name of the judge involved, so is the British Airways case that my hon. Friend is referring to the one dealt with by Mrs Justice Cox, which I believe was the first one, or the second case, which came before Mr Justice McCombe? Will my hon. Friend be discussing both cases or just one?

Philip Davies: I am grateful to my hon. Friend, who is, as ever, on the ball. He has just demonstrated to the House how knowledgeable he is on these matters and he rightly says that there are different cases. Either case makes the point, but I am sure that the House will be happy to benefit from his expertise on both if the need should arise and there is any further confusion. I believe I am right in saying—he will correct me if I am wrong—that in the case of Network Rail *v.* RMT the dispute was largely over safety. So far as I can tell, the case was not about an employment matter, because the signallers were not subject to any proposals for staff redundancies—it is not as if their jobs were being threatened—and the RMT was complaining about a safety issue.

The hon. Member for Hayes and Harlington gave the impression, to me at least, that these cases were clear-cut victories for the unions in terms of their recommendation for a strike and that there should be no impediment to that democratic process being applied. I have to take issue with that initial premise, because the result of the ballot in the case of Network Rail *v.* RMT was that 3,199 votes were cast, 1,705 of which were in favour of strike action and 1,481 of which were against, with 13 spoiled papers. Therefore, the majority was just 224. I do not know whether or not my hon. Friends would say the same, but I was not originally given the impression of that margin of victory in the speech made by the hon. Member for Hayes and Harlington. He seemed to imply that there had been an overwhelming vote for strike action.

Before we get on to the niceties of why the unions fell foul of the law and why it is right that they fell foul of the law, as it stands, we must take into account—I think that the law should take this into account—the effect of strike action, if it were to go ahead, on the employer, on the economy and on the general public. That should be a factor in determining whether an injunction is granted. If it is going to have a disproportionate effect, we would want the judiciary to be risk-adverse in deciding whether to grant an injunction.

According to Network Rail, the cost of the strike action would have totalled about £20 million. That is a substantial amount of money and it was perfectly right that a judge should insist that everything was done rightly and properly, all above board, before action with such a financial impact on a business—on the taxpayer, I might add—was proceeded with. In the court papers, Network Rail claimed—the RMT did not dispute this, so we can safely say that we are on firm ground—that the strike action would have had the effect of preventing 80% of all rail services in the UK from running. That would have had not only a devastating effect on Network Rail as an industry but a massive effect on many employers, businesses and people who rely on getting about by rail to fulfil their daily duties.

The hon. Member for Hayes and Harlington might think that the RMT had a perfectly legitimate complaint against Network Rail that Network Rail was being irresponsible. That might or might not be true, but I am not entirely sure what grudge the RMT has against businesses, commuters and shoppers up and down the country, who would have been negatively affected by that action. I am not entirely sure why they should be penalised for any actions by Network Rail that the hon. Gentleman disagrees with, but that is the impact that the strike action would have had. The RMT union did not dispute that in the court case. It is perfectly proper that a judge should consider the impact on other people when bearing in mind whether to grant an injunction. Network Rail made it clear that a strike would have caused immense damage to the economy, to businesses that depend on rail for freight or transport, to commuting workers and to a great many individual rail users.

Nick de Bois: I thank my hon. Friend for being so generous in giving way. In effect, we have a situation in which every cause will have an effect. My hon. Friend outlines admirably the fact that in this case, if the processes are not followed and a strike subsequently takes place, many people outside the immediate target of the strike action are affected. They have no recourse. They have nowhere to go. When I was running my company, we were in the unfortunate position of having to make a small number of redundancies. We had to go through—and rightly so—a strict but nevertheless somewhat burdensome process and, as a result of a minor technical error, there was the right for redress for those involved. It strikes me that in this situation, the process should be adhered to as strictly as possible because there is no form of redress for those outside the immediate consequences of the action. Does he agree?

Philip Davies: I very much agree with my hon. Friend. I know that he is a great advocate for rail commuters in his constituency—he has even had Westminster Hall debates on the problems that his commuters face. He is a great champion for his constituents and I agree with him. This is a very interesting point. If the hon. Member for Hayes and Harlington wants to make it easier to have strike action, perhaps, as a quid pro quo, he might consider what my hon. Friend the Member for Enfield North (Nick de Bois) says and introduce into his Bill a provision that some statutory consultation must take place with all affected parties before any strike action, so that people can understand the full consequences of that action. It might well be that when a union decides that it wants to go out on strike because of a grievance with a particular employer, it does not take into consideration the wider impact it will have on innocent third parties who are no part of the dispute at all. My hon. Friend makes a very good point—perhaps that is an anomaly that should be addressed in legislation. I hope that the Minister was listening carefully to his intervention, because he is in a far better position to do something about that than I am. It is certainly worth considering.

Mr Nuttall: I am not sure that my hon. Friend has picked up on exactly the right point. I thought that my hon. Friend the Member for Enfield North (Nick de Bois) was making the point that if the novel concept of substantial compliance is introduced with regard to the balloting procedure for industrial action by trade unions, surely it would be right, fair and sensible to introduce a similar provision in the legislation relating to redundancies. Has my hon. Friend the Member for Shipley (Philip Davies) had any representations on what the unions would think if that were the case—if an employer needed only to comply substantially with the law when making people redundant?

Philip Davies: My hon. Friend makes a good point. He turns the argument on its head: he says that rather than giving unions more arduous responsibilities so

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that they have to meet the same demands as employers, perhaps employers should be given the liberty to take the more flexible approach that the Labour party clearly wants to give to trade unions. Whichever way we consider it, it is perhaps unarguable that they should both be subject to the same treatment.

My hon. Friend is right to concentrate on substantial compliance, because it is, in many respects, a nonsensical concept to introduce into law. Virtually anybody could claim, when they flouted the law, that they were substantially compliant with it. If we extended the concept right across the criminal justice system, we would probably find that nobody could ever be found guilty of anything, because they could easily demonstrate that they were substantially compliant with the law—they had broken just one part of it. The hon. Member for Hayes and Harlington should go back to the drawing board and think again about whether he wants to introduce the concept of substantial compliance in law.

Let me come back to the point that I was making about the impact that the strikes would have had if they had gone ahead. Three million passengers and freight users would have been affected, and the strike would have coincided with the first day back at work after the Easter holidays. That would have had a devastating impact. It is true to say that Network Rail had a robust contingency plan in place, but this comes back to the point that my hon. Friend the Member for Bury North (Mr Nuttall) made about the importance of giving notice to employers, so that they have an opportunity to mitigate the worst impacts of strike action.

Even with that robust contingency plan in place, Network Rail could have run only approximately 4,500 trains on the day of the strike action; the normal figure is 24,000. We are talking about 20% of the service running, and 80% not running. Some of the most important lines into the capital would have run at just 11%. That would have had a devastating effect on the economy of the country, and it is right that judges take that into consideration.

Turning to why the injunction was granted by the courts, as my hon. Friend the Member for Bury North said, minor errors are already covered by the existing legislation. I have already outlined the relatively narrow margin of victory in the vote for strike action. Most people would consider some of the errors to be not minor at all; I think that some people would consider them to be rather more major. Network Rail successfully argued that there were serious errors made in the balloting of members. For example, 11 signal boxes that no longer exist were balloted, including East Usk in Newport, Gwent. The RMT balloted it to gather the votes of six registered voters, although it had burnt down in a previous year. That is not a minor error—it is quite a serious error.

Mr Nuttall: I have to come back to this point: bearing in mind that the Bill also seeks to transfer the burden of proof to the employer, if the union does not know where its own members are employed, it is a bit rich to turn the law around and expect employers to do the job that we are talking about. In the case that my hon. Friend mentions, even the trade union could not get its notices sent to the right place.

Philip Davies: That is a fair point, and one might legitimately ask the RMT how close it is to its members when it balloted a signal box that burnt down years ago. It does not give one much confidence that the union has a close working relationship with its members.

People may forgive the RMT for not knowing that the signal box at Pelham in Lincolnshire was demolished in 2008 or that the signal box at Ascot in Berkshire was closed in October 2009. People might ask how the union could be expected to know these things—although I would presume that it should know. However, it is surely difficult for it not to be aware that the signal box at Chalford in Gloucestershire closed down in 1966. One would have thought that the union would have been aware of that. Nor should it have overlooked the fact that the signal box at Northallerton in North Yorkshire closed in 1980. I personally think that those are rather serious errors, not the minor errors that the hon. Member for Hayes and Harlington suggests when he uses the case as a reason why the law should be changed.

The problems were not confined to signal boxes that were closed down 44 years ago. In 67 locations, the number of RMT members balloted exceeded the total number of employees. I do not know what the rate of union membership is among the staff of Network Rail, but I would be astonished if it were more than 100%. But that is what the RMT seems to think. A further 26 places, with up to 100 employees, were missed out completely, including the key signal box at Rugby. As we have heard, the difference in the vote between those who voted for strike action and those who voted against was 224. It is therefore difficult to argue that the examples that I have given—of the balloting of signal boxes that had burnt down or been closed, of ballot returns of more than 100% and of the failure to ballot some locations—were not material factors that should have been taken into consideration. Those are substantial errors that could have made a material difference to the result.

Jacob Rees-Mogg: It occurs to me that if the Bill were enacted and then used too widely, it would allow malevolent people to use it to push through something against the will of their members and then claim that only minor errors had been made. That would be a slippery slope.

Philip Davies: My hon. Friend is right, and we should guard against that. I do not think that the hon. Gentleman wants to exempt minor errors, which are already protected. He wants to exempt major errors from the scrutiny of the courts and we should be very wary of doing that.

In 12 locations, there were no operations staff and workers were clearly ineligible to vote—

Andrew Bridgen: I thank my hon. Friend for being so generous in giving way in this most interesting debate. Does he agree that the Bill is not merely a Trojan horse but a wolf in sheep's clothing, and an attempt to legitimise electoral errors—I am being generous in calling them "errors"—that would disgrace a banana republic?

Philip Davies: My hon. Friend is right. That is why I am so disappointed that the hon. Member for Hayes and Harlington made it abundantly clear from the outset that he did not want to take interventions. He has left the impression—rightly or wrongly—that he was

trying to portray a small change in the law to clear up a small anomaly, and that no one could argue with that because it was all common sense. However, when one gets to the nitty-gritty—

John McDonnell *claimed to move the closure (Standing Order No. 36).*

Mr Deputy Speaker (Mr Nigel Evans): Ideally, I would like to hear from the Minister before I accept that motion. I understand, Mr Davies, that you have been entertaining the House for 59 minutes. It is a red letter day for all of us, and we are clearly gripped by everything that you are saying, but if you are now able to bring your remarks to a close so that the House can be informed of the Government's position on the Bill, I would be extremely grateful.

Philip Davies: I think that that is a sensible way forward, because we all want to hear what the Minister has to say. I will toss away the Network Rail arguments if you will give me permission, Mr Deputy Speaker, to touch on the British Airways dispute, because the hon. Member for Hayes and Harlington spoke about that most of all.

The hon. Gentleman made it clear that the errors that were made may not have made a material difference to the result of the ballot in the BA dispute, but they were clearly not deemed accidental. We should have some protection in law for employers who face strike action by people who have not followed what the law requires of them. The law is not particularly onerous. As my hon. Friend the Member for Bury North said, many strikes take place throughout the country every year—far too many already happen. It is not difficult for people to take strike action. All we expect is that people fulfil their obligations under the law. In the BA *v.* Unite case, it is perfectly clear that the judge who granted the injunction felt that the errors were not accidental, that Unite should have known or did know about them, and that they should not be deemed minor.

I will conclude to follow your will, Mr Deputy Speaker. I am afraid that the House will have to miss out on the rest of my contribution. [HON. MEMBERS: "Shame!"] I am very grateful to my hon. Friends. I urge all hon. Members not to consider only the simplistic side of the debate and the opportunity that the hon. Member for Hayes and Harlington offers to clear up a small technicality, but to bear in mind the massive impact that the Bill would have on employers and the paying public throughout the country—those who rely on our services. The Bill will be hugely damaging at best. However, even from the hon. Gentleman's perspective, it is unnecessary and does nothing to help trade unions.

1.3 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I congratulate the hon. Member for Hayes and Harlington (John McDonnell) on coming first in the ballot for private Members' Bills. The Bill gives us a chance to debate an important and topical subject—industrial action law. That issue is receiving wide attention in the media. As hon. Members know, some organisations, including the CBI and the Policy Exchange think-tank, are calling for that body of law to be strengthened, and we heard those voices loud and clear in the debate today. Of course, that is the exact opposite of the effect that the hon. Gentleman wants to achieve through the Bill.

It is not the first time in recent years that the hon. Gentleman has presented a private Member's Bill. A couple of years ago, he tabled the Trade Union Rights and Freedoms Bill, which also centred on industrial action law. I commend him for his determination and consistency of purpose. He has a justified reputation in the House as a doughty defender of trade unions. His knowledgeable and often impassioned contributions to our debates show his deep commitment to that cause. That commitment does him credit, even though many in the House, including some of his hon. Friends, do not always share his views.

If my memory is correct, the last Bill the hon. Gentleman introduced included proposals for root-and-branch reform of strike law. For instance, it contained provisions to restore the lawfulness of secondary industrial action and to repeal the requirement on trade unions to provide notice to employers in advance of industrial action. He presents his current Bill as a modest measure in comparison—it is undoubtedly more modest than his previous Bill, which I suspect was rather closer to his heart and true beliefs than this one—yet modesty is often in the eye of the beholder. Saying that this Bill is more modest than his last does not make it so, despite its seductive title.

The Bill is admirably short—just two clauses. It works by changing section 232B of the Trade Union and Labour Relations (Consolidation) Act 1992. However, as I shall demonstrate in my speech, the Bill is not so modest as it appears at first sight. In fact, it would have the effect of altering the applications of about 15 other sections of the 1992 Act. In some cases, it would significantly relax the procedures that trade unions must follow when organising industrial action—something which the previous Government considered and rejected.

In the hon. Gentleman's opening remarks, he made one or two points that the House ought to consider more carefully. He argued that his Bill tries to achieve the original intention of section 232B by applying it to all 15 sections of the 1992 Act, but that is wrong. Section 232B is clearly drafted so that it applies to just four sections of the 1992 Act. Parliament did not therefore intend that it should apply as widely as he suggests, and it is important that hon. Members hear that argument.

The hon. Gentleman referred to a number of court cases, but it is worth reminding the House that in recent times, the trade unions have been the ones scoring wins in the courts—many of my hon. Friends referred to such cases. For example, the Court of Appeal ruling in BA plc *v.* Unite this year, to which my hon. Friend the Member for Dover (Charlie Elphicke) referred in some detail, found very strongly for Unite and rejected the employer's argument. In Milford Haven Port Authority *v.* Unite, the Court of Appeal again found for the trade union. In a third case this year—Metrobus *v.* Unite—although the Court gave an injunction against the trade union, it dismissed many of the employer's arguments with respect to notices, saying that the errors were small and should therefore not be considered.

The case law that has amassed this very year suggests that the concerns of the hon. Member for Hayes and Harlington are not based on what is true. I strongly urge Labour Members to think carefully about the fact

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that real case law developments are helping trade unions. The hon. Gentleman tried to argue that the Bill would reduce uncertainty and therefore that it would give greater clarity and assist the process. As many of my hon. Friends clearly demonstrated—particularly my hon. Friend the Member for Shipley (Philip Davies)—changing the "accidental" test in the current law and replacing it with a "substantial compliance" test would create uncertainty, because case law has clarified the law, which is in the unions' interests. Therefore, some of the core arguments behind the Bill are flawed.

I congratulate my hon. Friend the Member for Bury North (Mr Nuttall) on his speech. Using his legal background, he forensically showed that the test of substantial compliance had extreme shortcomings, and said that it would result in some bizarre outcomes if applied more generally in law.

I welcome the hon. Member for Llanelli (Nia Griffith) to her new position as Opposition spokesperson and look forward to our debates, not only on this Bill but on the Postal Services Bill, on which no doubt we will spend some weeks in Committee. She rightly praised the actions of many unions, especially how, during the recession, they have engaged and worked with management in many firms—large and small—up and down the country to preserve and create jobs. I, too, would like to put on the record my praise for those unions and employers who have been prepared to work flexibly—in respect of family-friendly flexibility, pay cuts and reduced work hours—with management to prevent redundancies.

That sort of progressive trade unionism needs to be highlighted and pinpointed. I often think that it removes some of the passion from this debate by showing that many trade unions are committed to ensuring that our economy is vibrant and prosperous, and do not want to undermine firms' ability to move on. I was pleased that the hon. Lady committed the Opposition Front-Bench team at least to the framework of industrial relations law, as Labour did time and time again when in government. I was also pleased that she made it clear that her Front-Bench team will not be supporting the Bill today. She made one argument against it: she clearly opposes the part of the Bill that reverses the onus of responsibility and puts it on employers. That is one argument against it, but, as I will seek to show in due course, there are others on which the House should reflect carefully.

On the wider industrial relations context in which we should view the Bill, I want to comment on an intervention made by the hon. Member for North East Somerset (Jacob Rees-Mogg) that went to the heart of the matters before us. He reminded the House that trade unions have immunity from prosecution for breach of contract going back to the Trade Disputes Act 1906, which was brought in by a Liberal Government. That immunity is an important special privilege for trade unions, so it is right that Parliament imposes conditions on how they are used. Over the years, all three main parties have supported the role of Parliament in ensuring that there are conditions on the uses of those privileges.

When one looks at the rationale for the Bill, one must bear in mind the industrial relations context in which it is set. It is important to establish that up front, because there are significant differences in our respective understandings of how industrial relations in the UK are evolving. It is because we start from such different points that I fear our attitudes towards the merits of the Bill will not fully coincide. I suspect that the hon. Member for Hayes and Harlington and his supporters view industrial relations in rather more divided terms than I do. Sometimes from listening to him—I have done so for many years—his seems to be a world in which bosses are always seeking to gain an advantage over the work force. In other words, without the countervailing power of the trade unions, individual workers are always chronically disadvantaged in the work place. His Bill therefore seeks to reinforce and strengthen the countervailing power of trade unions and tilt the balance of the current law and our industrial relations practices in favour of trade unions.

Conflict and confrontation are, of course, a feature of workplace life in some workplaces, but it is much less common than it once was. One only has to think back to the 1970s, when on average 12.9 million days were lost each year through strikes. I am delighted to say that modern-day industrial relations are very different. Of course, the 1970s were also a time of high unionisation in both the public and private sectors, but total union membership has declined significantly since then. In fact, it has almost halved. As a supporter of progressive trade unionism, I take no pleasure in pointing that out. However, those trends are particularly apparent in the private sector. Just 15% of private sector employees are now union members and there are large areas of the private sector where unions are completely absent. They are simply not a part of the landscape.

As I have said, I and the Government more generally are supporters of progressive trade unionism. We feel that unions have much to offer this country. Even now, trade unions represent the largest voluntary organisations in this country—one could perhaps say that they are an expression of the big society.

That is why this Government and my Department want to engage with trade unions. We want to hear their considered views, and to develop a common understanding and an approach to the severe problems that this country faces, which include not just our economy, but the critical state of the public finances. That is why my right hon. Friend the Secretary of State meets the TUC's general secretary, Brendan Barber, each month. I and other BIS Ministers have also had meetings with the TUC and other trade unions. From those discussions we have explored issues of particular concern to trade unions. For example, decisions that I have taken on the national minimum wage, working with the Low Pay Commission, speak to those concerns. We and other Departments operate an open-door policy for trade unions, and in most cases we have retained the joint bodies, such as the public services forum, and partnership arrangements that the previous Government established.

We want to hold a constructive dialogue with trade unions, but of course it takes two to talk. That places an onus on us to listen and to understand the union position on the matters before us and others, but just as importantly, it places a duty on trade unions to engage realistically with the issues that the country and the Government face. Most trade unions are committed to a mature and positive dialogue of this kind. Sadly, there are a few exceptions to that, but I should pay credit to the many unions that do engage. The Government also understand that trade unions have a positive role to

play in the workplace when they engage with the employer. I want to pay tribute to the role of union learning representatives, who help tens of thousands of their fellow workers with their learning and development needs. The Government have therefore committed themselves to continuing to provide support to their work through unionlearn, the training arm of the TUC.

That said, it remains the case that the protective umbrella that the trade unions once provided for this country's work force has disappeared across large swathes of the economy. However, employees in the private sector are not subject to widespread exploitation, nor are they generally dissatisfied with their employment. Indeed, most surveys show that union members tend to be more dissatisfied with their working environment than their non-union counterparts. There are many reasons why surveys show that and why the decline of trade unionism has not led to widespread dissatisfaction or the spread of bad working practices. One reason is that the law provides many more rights to workers—many were introduced by those on the Labour Benches—than it once did. These days, it is the law, rather than the presence of active trade unions necessarily, that provides the guarantee of decent working conditions and fair treatment to millions of men and women up and down our country.

Another key reason, which I want to stress, is that working life and the approach of employers have moved forward. I am glad to say that it has become the consensus among a vast majority of employers that they should develop a new style of employment relations based on engaging and involving employees. Employers are not taking that approach simply because it is fair and progressive in itself, though it is; they have other, hard-headed commercial reasons for adopting such enlightened policies. Employers realise that obtaining the active co-operation of the work force is vital if they want to increase productivity and raise competitiveness in today's tough market conditions. The quality and creativity of workplace performance are increasingly important for business success. More and more employers are developing innovative ways to engage their employees.

I do not know whether Labour will take this position in opposition, but the previous Labour Government certainly grasped that point. Indeed, they were enthusiastic enough to promote the message of employee engagement, which in many ways is the zeitgeist of employment relations, and they commissioned a special and very informative study into the subject, by David MacLeod and Nita Clarke, a former adviser to Mr Blair when he was Prime Minister. I have met them both, and I have encouraged them in that work and given support to it from the Department. This forward-looking agenda for employment relations is about securing greater co-operation and engagement in the workplace. It is about identifying common interests between employers and employees, and achieving the shared business goals. It is also about encouraging more employee participation and new forms of ownership. That is not a zero sum game, and this is certainly not about reliving the battles of the 1970s or 1980s.

Looking at the context of the industrial relations behind the debate today, I fear that the Bill does not engage with the new agenda. In many ways, it seems to be a throwback to a previous age, and both the hon. Member for Hayes and Harlington and we need to draw a line under our industrial relations history and turn the page. His Bill does not do those things. So, at a very basic level, I have serious reservations about his proposal.

The Advisory, Conciliation and Arbitration Service is promoting the new style of industrial relations, and I believe that it has much to offer to our debates in this area. I recently visited the ACAS head office and spent some valuable time with its chairman, Ed Sweeney, and his colleagues. I was deeply impressed with the expertise available to ACAS, and with the commitment of its work force. It is best known for its work on conciliating the settlement of industrial disputes, and its record on that is impressive. Less well known is its work on advising employers and trade unions on good employment practices and the management of change. That work helps to raise productivity and performance, and nips potential workplace problems in the bud. Importantly, it creates a culture of collaboration and mutual support at work. I believe that this approach to industrial relations improves—

John McDonnell: On a point of order, Mr Deputy Speaker. I thank the Minister for giving us the opportunity to hear the Government's response to the Bill, which we have now done. There is other important Back-Bench business today, and I would like formally to move that the Question be now put.

Mr Deputy Speaker (Mr Nigel Evans): I shall accept the closure motion.

John McDonnell *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

The House divided: Ayes 87, Noes 27.

Division No. 95] **[1.21 pm**

AYES

Abbott, Ms Diane
Alexander, Heidi
Barron, rh Mr Kevin
Berger, Luciana
Blenkinsop, Tom
Blunkett, rh Mr David
Bone, Mr Peter
Brown, Lyn
Brown, rh Mr Nicholas
Campbell, Mr Ronnie
Clark, Katy
Connarty, Michael
Crausby, Mr David
Creasy, Stella
Cruddas, Jon
Cryer, John
Dobbin, Jim
Doran, Mr Frank
Dowd, Jim
Dromey, Jack
Dugher, Michael
Elliott, Julie
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Havard, Mr Dai
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Irranca-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Jones, Susan Elan
Kaufman, rh Sir Gerald
Keen, Alan
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
McCarthy, Kerry
McDonnell, John
McGovern, Alison
McGovern, Jim
Meacher, rh Mr Michael
Mearns, Ian

Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Pearce, Teresa
Pound, Stephen
Riordan, Mrs Linda
Rotheram, Steve
Sharma, Mr Virendra
Sheridan, Jim
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Spellar, rh Mr John
Sutcliffe, Mr Gerry
Thornberry, Emily
Timms, rh Stephen
Turner, Karl
Twigg, Stephen
Walley, Joan
Wicks, rh Malcolm
Williams, Hywel
Wilson, Phil
Winnick, Mr David
Wood, Mike

Tellers for the Ayes:
Jeremy Corbyn and Kelvin Hopkins

NOES

Bacon, Mr Richard
Blunt, Mr Crispin
Bridgen, Andrew
Browne, Mr Jeremy
Burns, Mr Simon
Davey, Mr Edward
Davies, Philip
de Bois, Nick
Ellison, Jane
Francois, rh Mr Mark
Grayling, rh Chris
Green, Damian
Greening, Justine
Harris, Rebecca
Heath, Mr David
Hendry, Charles
Jackson, Mr Stewart
Kelly, Chris
Menzies, Mark
Mundell, rh David
Nuttall, Mr David
Penrose, John
Randall, rh Mr John
Reckless, Mark
Rees-Mogg, Jacob
Teather, Sarah
Watkinson, Angela

Tellers for the Noes:
Miss Chloe Smith and Jeremy Wright

The Deputy Speaker declared that the Question was not decided in the affirmative because fewer than 100 Members voted in the majority in support of the motion (Standing Order No. 37).

John McDonnell: On a point of order, Mr Deputy Speaker. Today we have seen a revisiting of past practices of filibustering to deny the will of the House—practices that brought this House into disrepute and that we thought this new Parliament would put to one side. I believe it is a shame and a disgrace. May I ask you to take this matter back to Mr Speaker, to see whether we can review the Standing Orders of the House so that the objectives of democracy are no longer frustrated by a small group of Members?

Mr Deputy Speaker: Thank you, Mr McDonnell. You have made your point, and I will ensure that Mr Speaker reads what you have said.

Debate resumed.

1.33 pm

Mr Davey: May I say to the hon. Member for Hayes and Harlington, for whom I have the utmost respect, that he did not take interventions during his opening remarks? As many of my hon. Friends made clear, that would have assisted the progress of the Bill. I think that new politics is about engagement in debate, and I hope that he will engage in that way in future.

We need to consider the details and the rationale behind the Bill. The hon. Member for Hayes and Harlington tried to make a case for changing industrial action law. He considers the current legal framework to be intrinsically unfair and thinks that because it is complicated, it gives rise to great uncertainty and unnecessary legal challenges against trade unions. Industrial action law has been a bone of contention for most of the last century or more, and hon. Members have referred to past discussions. When we look at the history, we see many key moments. We need only think of Barbara Castle's "In Place of Strife" to remind ourselves how divisive and politically damaging to certain Governments this issue can be. Then there was the bruising period of the 1980s and early 1990s, when the Conservative Governments of those days introduced a succession of laws to establish a new legal framework to regulate and democratise the taking of industrial action. I believe that those reforms were long overdue, but it is worth reminding the House that they were resisted every inch of the way by the Labour party when it was in opposition.

Jeremy Corbyn (Islington North) (Lab): On a point of order, Mr Deputy Speaker. I have been trying to follow what the Minister is saying, and it appears to me—I do not know whether you have the same impression—that he is deviating a long way from the terms of the Bill. He is giving his view of the history of industrial relations in the 1980s and early 1990s, when he should be addressing whatever concerns the Government have about my hon. Friend's Bill.

Mr Deputy Speaker: I am listening to what the Minister has to say, and if I consider that he is out of order, I will certainly call him to order. However, I know that he will want to relate his comments more directly to the Bill.

Mr Davey: I certainly intend to do that, Mr Deputy Speaker, but I hoped it would help the House if I set out some of the context of the debate. I think that people sometimes have amnesia when it comes to what actually happened in the past.

It is worth reminding Opposition Members that the laws we have today relate not only to the laws passed in the 1980s and 1990s, but to the changes in those laws made by the last Government. My hon. Friends made it very clear that the last Government reviewed and made changes to this very part of our law, and did not adopt changes such as those that the hon. Member for Hayes and Harlington is trying to persuade the House to support today. They did not want to make any significant changes to the law on ballots and notices. Indeed, the last change of any substance that they made was in 2004. That is probably why the hon. Member for Llanelli was unable to support the Bill. She and the hon. Member for Bradford South (Mr Sutcliffe)—when he was doing the job that I am doing now—examined the law extremely closely, and found no case for changing it.

It has hardly been a secret that trade unions wanted to extend the disregard in section 232B, but I presume that when the last Government examined the law, they decided not to listen to those trade union voices. I am pleased to observe the consistency in the position adopted by the hon. Member for Llanelli. Successive Governments have taken the view that the legal framework of our industrial relations law is basically sound, and this coalition Government certainly share that view.

Mr Nuttall: I realise that we need to stick to the point, but I think that the historical context is very relevant. The certainty of the law is of great benefit not just to employers but to trade unions. The danger posed by the Bill is that it will reintroduce a great element of uncertainty.

Mr Davey: My hon. Friend is absolutely right. I urge Opposition Members, when they debate this issue—not just today but during the weeks, months and years to come—to think about where the trade union interest actually is. The fact that a body of case law has been developed, much of which, as I said earlier, has found in favour of trade unions, is creating certainty. It is clarifying what was previously uncertain. If we changed the law now in the radical way proposed—it is certainly not modest—we should have to go through that whole process again, which would increase uncertainty, and do precisely what the hon. Member for Hayes and Harlington says he is trying not to do.

Outside the trade union movement, which understandably has its own interests to pursue, I hear no clamour for the law to be changed in the way proposed. It seems that the average worker and even the typical union member do not see the law as unjust; still less is it seen as unfair by the general public. They do not want to see public services disrupted because striking has been made easier—quite the reverse. They want trade unions to help us to manage the painful adjustment that is needed to put this country's finances in order.

The supporters of the Bill argue that the law is too complex. According to them, it places too many procedural obligations on trade unions and as a result it is difficult for unions to comply with the last dot and comma of the law's many provisions. It follows, they say, that trade unions must be given more wriggle room to ensure that they can operate within the law. According to the Bill's sponsors, the existing disregard, which provides some wriggle room, needs to be extended.

Again, I have to ask what has changed to make life so intolerable for trade unions. This legal framework has maintained its shape, give or take some refinements and amendments, for 20 years or more. Surely both trade unions and employers should be accustomed to it by now. They should know its requirements and they should know what needs to happen at every stage of the process to achieve compliance.

Let us remember that we are not talking about matters that are devolved to ordinary members or to local representatives of trade unions to organise unaided on their own. If that were the case, those local representatives perhaps could not be expected to know every provision of the law, but that is not the position that we face, or it should not be the position that we face. Rather, the taking of industrial action is a very serious matter and no sensible union would permit strikes to proceed without the specific authorisation of the union's leadership and the involvement of its professional cadre of workers at every stage of the process. By and large, that is what happens.

Nick de Bois: The Minister touches on a point on which I would welcome some clarity: the consequences of industrial action go far wider than has been mentioned so far, as my hon. Friend the Member for Shipley (Philip Davies) highlighted. There is no call for redress for those who are affected beyond the immediate action. Therefore, surely it is responsible for the law as it stands to require the maximum process to ensure that strike decisions are not taken lightly. In that way, those who will suffer as a consequence of that action can at least draw some grim satisfaction from that maximum process. They have no other form of redress.

Mr Davey: My hon. Friend puts his finger on it. We need to weigh in the balance not just the rights of ordinary trade union members, but the rights of the business, the shareholders, the public, customers and other businesses that are affected by strike action. That is why the law has evolved as it has. It is a balancing act. Sometimes people say that the democratic result of a ballot was clearly in favour of strike action but ignore the fact that the procedural way in which the ballot was conducted was against the current law. They fail to understand why the procedures are there. They are there for good reason.

Jacob Rees-Mogg: I thank the Minister for giving way with characteristic graciousness. Does he agree that not requiring the trade unions to stick to a rigorous programme risks their going back to the 1970s? All of us have memories of mass meetings, Red Robbo and the will of the membership being entirely overlooked by terrible abuse of procedure, using the law as it then existed to its utmost to stop members having their say. The law as it stands prevents us from going that way again.

Mr Davey: I agree. I put it in another way, which complements the argument that my hon. Friend is making. I think that progressive trade unions welcome the law as it is. It ensures that their reputation, the way they work and their relationship with members is protected because they can show that they have gone through the right procedures. That improves their reputations with not just their members but the public, so I ask Labour Members who support the proposed change to reflect on the long-term implications for trade unions if we went down that route.

Every union must ensure that it has a good grip of the procedures when it enters disputes and that those procedures are professionally run. I do not think it is unreasonable to ask them to ensure that their information systems and membership records are as accurate as possible, using the vast power of information technology currently at our disposal. I suspect Opposition Members would be as intolerant and unforgiving as I am if organisations in other walks of life failed to keep accurate records or provided mistaken advice or a second-rate service. We should expect high professional standards from trade unions, just as we expect the same high standards from others.

The truth is that the previous Government understood that. From their extensive political contacts with unions, they knew there were problems with how some of them were managed. I suspect that they believed union leaders were a mixed bag in terms of their professional competence. That is why they argued for, and introduced, the union modernisation fund. They wanted to inject public funds into unions to bring them up to scratch. Millions of pounds were spent on projects to update membership databases, adopt new technologies and inject modern managerial methods into the running of trade unions.

Mr Nuttall: On the question of new technologies, the Bill would have been better if it had addressed the problems raised by the judges in the Court of Appeal, and if, instead of changing the rules on substantial compliance, it had provided specifically for the internet, e-mail, Twitter and text to be valid means of electronic communication for the purposes of the legislation. That

[Mr Nuttall]

would have provided a specific clarification that Members on both sides of the House might have been able to support.

Mr Davey: My hon. Friend makes a good point. The Court of Appeal thought about that carefully in coming to its judgment, but I would not want to go any further and say the law has to be tightened up in that way, because the judge's statements are already quite helpful. I see the thrust and power of my hon. Friend's argument, however.

If the UMF had worked as intended, it should have rectified the deficit in this area. I suspect, however, that problems remain and inefficiencies persist. While we all need to make sure that unions can try to reform in that area, I do not think the law should be relaxed to preserve poor methods of working within unions. Rather, it should be designed—as, by and large, it is—in the expectation that trade unions will run themselves efficiently and spend the money they collect well; their total annual income is more than £1 billion.

The current law not as rigid as the Bill's supporters suggest. At virtually every point, the provisions are designed to take account of the fact that trade unions, just like any other organisation, do not have perfect knowledge and complete information at their disposal. Many provisions in the law are flexible enough to take account of what is "reasonable" or "reasonably practicable" for the unions to achieve.

Let us take the example of the law on ballot notices, which is a major part of the Bill. I know trade unions criticise these provisions a lot. Obviously, notices need to convey information, but according to the law—section 226A of the 1992 Act—that information needs to be

"as accurate as is reasonably practicable in the light of the information in the possession of the union at the time".

That is not an onerous condition, and it is because of those sorts of conditions in the current law that the unions have won a number of cases in this year alone.

Jacob Rees-Mogg: The Minister is being enormously helpful to the House by taking so many interventions.

Is this not the absolutely right and just application of the legal maxim that the law is not concerned with trifles?

Mr Davey: I have to confess that that is the first time I have heard that maxim. I will have to ask my wife and family about it.

Jacob Rees-Mogg: It was quoted from the other side of the House in Latin: de minimis non curat lex.

Mr Davey: I am afraid I only did Latin O-level, and I have forgotten a lot of it.

Turning to the notices informing the voters and the employer of the outcome of the ballot, sections 231 and 231A respectively require only that the union take, as

"soon as is reasonably practicable after"

the ballot,

"such steps as are reasonably necessary"

to inform all persons entitled to vote and every relevant employer of the outcome.

The Bill's supporters also believe that the law loads the dice in favour of the employer. According to their analysis, the law makes it difficult, and even impossible in some cases, for trade unions to defend the interests of their members—but, again, where is the evidence that the strike weapon has lost its potency, if used responsibly? The level of industrial action varies from year to year, but in the past 12 months for which data are available about 620,000 days were lost through industrial action. I would like that figure to fall, but such levels of industrial action in the UK are about the average for the EU overall, when allowance is made for the size of each country's work force. In 2007, the latest year for which EU data are available, EU countries lost, on average, 34 days through industrial action per 1,000 workers. The UK figure was similar, although a little higher, at 38 days per 1,000 workers. That does not suggest that the UK laws on industrial action are out of step or are more difficult for British trade unions to navigate than laws elsewhere in the European Union.

Mr Nuttall: Just as a matter of interest, is the Minister aware of whether any other European Union country has a provision similar to the one proposed in this Bill?

Mr Davey: I am not, although I think it is highly unlikely that any EU country does, for the following reason. The way in which industrial relations laws have developed in different countries reflects different traditions, and that is how it should be; I do not think that there is a standard approach in the EU. The British view obviously draws on a very different tradition from elsewhere, but the effect is not dissimilar in terms of the average number of days lost. So the hon. Member for Hayes and Harlington, the promoter of this Bill, has not made his case; he has not provided evidence to show that our trade unions face particular problems.

The hon. Gentleman's opening remarks contained references to various observations made by advisory bodies to the International Labour Organisation, but the data simply do not support the argument that unions in the UK are uniquely disadvantaged when it comes to organising strike action. The previous Government made it clear that Britain upholds its commitment to the ILO conventions; indeed, there has never been a challenge at the supreme authority of the ILO that we have transgressed our international commitments to those conventions. Some people make rather too much of this by saying that we are somehow breaching ILO standards and other human rights obligations on freedom of association.

It is also worth noting that employers normally choose to settle disputes before industrial action takes place—only a minority of industrial action ballots actually lead to industrial action. According to our estimates, in about 80% of cases where employees have voted for industrial action, no industrial action is subsequently taken. Both sides treat the outcome of the ballot as a stimulus to further negotiation. Once again, such behaviour is difficult to square with the conclusion that employers invariably have the upper hand under our law and could easily obtain an injunction to stop a strike in its tracks or impose their will unilaterally.

The hon. Member for Hayes and Harlington and others have discussed recent court cases. He said that they have made matters much worse for trade unions, but we have heard that argument rebutted.

Mr Nuttall: On court cases, does the Minister agree that it would have been sensible for the hon. Member for Hayes and Harlington to wait before introducing this Bill until the case that the RMT is taking to the European Court of Human Rights had been dealt with, as that may shed some light on the matters that we have been considering this morning?

Mr Davey: My interpretation of the fact that there are some cases before the European Court of Human Rights is that we do not need the legislation at all. Those court cases are dealing with the issues of uncertainty that remain and the case law is helping to develop the situation.

Andrew Bridgen: Will the Minister shed some light on whether we need this Bill and whether there is any requirement for it? Is he aware of the proportion of ballots by unions that have been challenged legally?

Mr Davey: My hon. Friend anticipates what I was about to say. Although it is true that in recent years there have been more applications for court injunctions, we must put that increase into some perspective. It is still relatively rare for the courts to intervene in industrial disputes. Over the past five years, just seven injunctions have been sought, on average, per year. During the five years from 2005 to 2009, there were on average 132 work stoppages each year. With an average of seven injunctions and 132 work stoppages, it is clearly not the case that employers are always going to court and that it is difficult for trade unions to ballot their members, give notices in the proper way and hold industrial action when their members so vote. I am afraid that the facts are entirely against the hon. Member for Hayes and Harlington.

Moreover, these cases have not always gone the way of the employer, even when there have been injunctions, as my hon. Friends have said. The Bill's explanatory notes refer to the case of British Airways *v.* Unite. That case concerned the way that the union notified its members about the outcome of an industrial action ballot. On this occasion, the Court of Appeal upheld the union's appeal and the injunction was overturned.

There are of course other cases in which the trade union lost. Reference has been made to another case involving British Airways and Unite. I freely acknowledge that most balloting processes across our society will contain some flaws. Existing industrial action law makes some allowance for such small errors, but in the case of British Airways *v.* Unite that Unite lost, the union had made serious mistakes in the balloting process and a large number of people were mistakenly accorded an entitlement to vote. We are talking about a tightly knit group of workers, all belonging to the same, very well-resourced, branch of the Unite union. The union should have known better. Frankly, the union got it wrong and, quite rightly, it had to rerun the ballot.

Nick de Bois: I am grateful to the Minister, who has been very generous with his time. Given the small number of applications for injunctions, would the Minister like to speculate on the motives behind this Bill? It strikes me that it is simply a device to allow and encourage more industrial disharmony at a time when we clearly cannot do such a thing, as well as to cover up the failure of unions to get their act together when they wish to follow this process.

Mr Davey: I always like being invited to speculate, but the hon. Member for Hayes and Harlington is an honourable Gentleman, so I could only ascribe honourable motives to him.

Nick de Bois: I would not wish to suggest otherwise; I was merely asking about the situations that might arise at a time we can ill afford them.

Mr Davey: I certainly agree with my hon. Friend that were we to pass this Bill, it would not help the economy, in its current fragile state, to recover. There would be a danger of more strike action and that is not something that we want.

The courts are helping to develop everyone's understanding of the practical applications of the law. Let us take the case of Metrobus *v.* Unite, which is something of a cause célèbre in union circles, and which centred on the time taken by the union to inform the employer of the outcome of a ballot. The employer, of course, has an intense interest in knowing the ballot result. The law therefore specifies that the union should notify the employer as soon as reasonably practicable. In this case, the court considered that the union should have informed the employer sooner. I can understand that the ruling may have inconvenienced Unite, but the ruling sets a clear standard for all unions to follow in future. There should therefore be less uncertainty and fewer legal complaints on that issue, as my hon. Friends have argued.

Let me turn to the detail of the Bill. As I said at the beginning of my response, the Bill amends section 232B of the Trade Union and Labour Relations (Consolidation) Act 1992. That section was inserted in the 1992 Act by section 4 and schedule 3 of the Employment Relations Act 1999. Several years later, in 2002 and 2003, the previous Government reviewed the practical operation of the 1999 Act. As a result, section 232B of the 1992 Act was slightly amended. Those amendments were introduced by the Employment Relations Act 2004.

So what does section 232B do? Its provisions enable the courts to disregard small failures by a trade union to comply fully with certain legal provisions concerning the organisation of an industrial action ballot. Those failures concern the requirements set out in four places in the 1992 Act. The first of those is section 227(1), which defines those who should be accorded an entitlement to vote by the trade union. The second is section 230(2), which places an obligation on the trade union to ensure that those entitled to vote are provided with a voting paper by post and are given a convenient opportunity to vote. The third is section 230(2B), which deals with the corresponding obligation on trade unions to ballot those persons entitled to vote who are merchant seamen. The fourth provision relevant to the disregard is 232A(c), which deals with the obligation on trade unions not to induce a person to take industrial action if that person was not accorded an entitlement to vote in a ballot.

The disregard applies to a small failure or failures to comply with those particular provisions. "Small" is defined as

"on a scale which is unlikely to affect…the result of the ballot",

[Mr Davey]

and the measures also apply if "the failures taken together" are on a scale that is unlikely to affect the result of the ballot. That test has a strong quantitative component, and it can therefore be used as an objective measure, so the test is relatively easy to apply in practice. Importantly, section 232B applies the law only to "accidental" failures by the trade unions. We have heard quite a lot of comments on that point.

As I have said, the original provision of the disregard was reviewed by the previous Government in 2002 and 2003, and after a detailed and thorough review, they were basically content with the operation of the disregard. They also concluded that other changes they had made to industrial action law had operated broadly as intended, so let hon. Members be in no doubt: the last Government saw no need for provisions such as those in the Bill. Having considered the case for them, and having reviewed them extensively on more than one occasion, they rejected the case for the amendments before the House.

So what are the proposed changes to section 232B? There are four major amendments proposed. I say "major"; the title of the Bill refers to "Minor Errors", but we are talking about major ones. First, the Bill would apply the disregard to many more provisions in the 1992 Act. I counted that the disregard would apply to every aspect of 15 separate sections of the 1992 Act. In combination, those sections specify virtually all the procedures that trade unions must follow when organising industrial action. The disregard would apply to the running of ballots and to the notices that trade unions must provide to the employer or employers concerned before an industrial action ballot and before any subsequent industrial action. That, by any standards, is a substantial change to section 232B.

Secondly, the changes would remove the requirement for the failure by the trade union to be "accidental". It would be replaced by the notion that the disregard applied where there had been "substantial compliance" with the provision or provisions in question. That therefore leaves open the possibility that the disregard will apply to situations in which the trade union knowingly makes a mistake or deliberately decides to flout the safeguards in the Act. We could not accept that change.

Thirdly, as the disregard would be extended well beyond the balloting provisions, we would be introducing a new way of defining the size of the failure to which the disregard applies, where the failure concerns a notice. In such cases, the disregard applies if the failure

"is unlikely to affect a reasonable person's understanding of the effect of the notice".

That alone raises many questions that are totally unanswered by the Bill.

Fourthly, the Bill places the burden of proof on the employer or other complainant to demonstrate that the failure does not qualify for the disregard. In other words, it is assumed that any failure by the trade union will be small scale and therefore covered by the disregard, unless the complainant demonstrates otherwise—a significant shift in the law, with a new presumption in favour of the trade union.

Earlier in my speech, I identified concerns that the Government have about the overall case for introducing this Bill. But, even if we were to assume that there is a compelling case for some changes to be made to section 232B, the Government would have serious misgivings about the way the Bill would amend the section. We cannot accept that the disregard should apply to every one of those 15 sections. That would be a major extension of the disregard and cannot be considered a modest measure. Just by way of example, the disregard would extend to section 230(1)(a), which provides that union members should be allowed to vote without interference from, or constraint imposed by, the union or any of its members. Where is the interest in allowing errors with respect to this safeguard?

Jacob Rees-Mogg: As I said earlier, this would be a slippery slope. It is an attempt to take trade union law back to where it was in the 1970s. It would run a coach and horses through the attempts since then to ensure democracy, control, proper procedures and orderly ballots. It is a frightening little Bill that attempts to undermine all that in just two clauses.

Mr Davey: As I looked in detail at the Bill, I became increasingly concerned. I thought initially that it might be something with which we could engage seriously and examine the possible need for reform. But if one forgets the title and looks at what is actually proposed, one realises that it is a significant attempt to shift the law in a direction we do not want it to go.

Philip Davies: The Minister glossed over his last comment too quickly for my liking. Am I right in thinking he said that, as the Bill stands, the union could interfere in the free vote of a few of its members in a ballot but could still argue that it had been substantially compliant?

Mr Davey: That is indeed my interpretation. I may have glossed over it because the hon. Gentleman and his hon. Friends made a clear analysis of that point in their contributions. I therefore felt that he had already grasped it, as he does so readily.

We strongly oppose removing the requirement for an error to be accidental. The suggested new disregard would apply to situations in which a union had deliberately denied members the entitlement to vote. It could also apply to a situation in which the union pressurised or coerced some individuals to vote in particular ways. Such behaviours are inexcusable, even if they were to occur on a small scale. They would undermine the democratic principles on which the current law is based. The Government cannot support a provision that could allow such democratic abuse to be excused. We have serious difficulties with the proposal to reverse the burden of proof—*[Interruption.]*

Mr Deputy Speaker (Mr Nigel Evans): Order. Mr. Skinner, your sedentary remarks can easily be heard from the Chair, and that should not be the case.

Mr Dennis Skinner (Bolsover) (Lab): On a point of order, Mr Deputy Speaker. We have a new coalition Government for the first time in 40 years. It seems to me—and you may wish to rule on this point—that the Tory part of the coalition is setting up the Lib Dem to talk the Bill out.

Mr Deputy Speaker: I would not care to comment, and that is my ruling.

Mr Davey: I have enjoyed the sedentary interventions of the hon. Member for Bolsover (Mr Skinner) over the years, but this Liberal Democrat has his own, independent mind, and he opposes the Bill.

Mr Nuttall: I am sure that hon. Members who have been present throughout the debate know that my hon. Friend the Member for Shipley (Philip Davies) had many more comments to make and has not had the opportunity to do so. The idea that opposition is being artificially engineered is far from the truth, because my hon. Friend had much more to say, and could well still have been speaking at this moment.

Mr Davey: I am grateful for all the interventions, but I want to present my arguments because there are genuine concerns about the Bill that the coalition partners share, and it is important to put them to the House.

We have serious difficulties with the proposal to reverse the burden of proof. To date, in any proceedings, once the employer has established that there has been a breach of the safeguards, the burden shifts to the union wishing to avail itself of the statutory defence to establish whether section 232B applies. That is consistent with the rules on the burden of proof: the burden generally lies on the party making the proposition. However, the Bill contravenes that general rule of evidence. In addition, it ignores another general rule that parties are not required to establish a negative. Under the Bill, the employer has to establish that the breach does not qualify for the disregard under section 232B. On a practical level, it is unrealistic and unfair to imply a level of knowledge on the part of the employer, which enables the employer to show not only that the law has been broken, but that the lack of compliance is substantial and meets certain thresholds.

Andrew Bridgen: As the Minister said, it is difficult to prove a negative. Also, the burden of proof will be on the employers, yet the unions will have all the information that the employers require to reach such a conclusion.

Mr Davey: I listened to my hon. Friend when he expanded on that point in the debate and he was spot on. It would be a bizarre shift in the law. As one of his colleagues said, it would create a lawyers' charter.

Let me summarise the Government's response to the Bill. Broadly speaking, there is a disconnect between the measure and the modern world of industrial relations. It will do nothing to shift employment relations on to the new ground of employee engagement.

At this time, we need all employers and all workers to pull together in a common cause to lift individual businesses and the economy at large out of the doldrums of weak growth. We need to pull everyone together in that effort. I want trade unions, as well, to exert their positive influence. The forward-looking agenda is theirs, too. They should adopt their rightful place and be on the inside of the debates. I greatly hope that they will engage with the Government at all levels.

In contrast, the Bill is about division at the workplace, and its effect would be to deepen those divisions by encouraging more strikes and other forms of industrial action. Contrary to the views of its supporters, the Bill proposes a major shift in the balance of the law. There is no consensus in our society for such a shift. In fact, employers believe that we should move in the opposite direction.

Successive Governments, with the previous Government very much to the fore, did not want to unsettle the balance of the law on industrial relations. The coalition Government share that mainstream view. We therefore have no current plans to change industrial action law either in the direction proposed by the Bill or in that proposed by others.

The case that the Bill's supporters presented for changing the law is not compelling. The legal framework has been in place for many years, and there is no evidence that it causes problems for trade unions that efficiently go about their lawful business. Parties should know what is needed to comply with the law.

The Bill itself has major defects in its drafting and would encourage undemocratic and coercive behaviour by trade unions. Sadly, it is not a Bill that the Government can support. I therefore ask hon. Members to vote against Second Reading.

2.14 pm

Jacob Rees-Mogg (North East Somerset) (Con): Listening to the debate on the Bill since just after Prayers this morning has been of great interest, as have the points that have arisen and been made by hon. Members on either side. However, I ought to start with a point made by the hon. Member for Hayes and Harlington (John McDonnell), who said that we were in some kind of new politics. I think we should be very suspicious of that phrase, because if we look at the annals of history, as I know the House likes to do from time to time, we will see that every generation looks back at the past, and says, "That was a golden age, an age when they knew what to do and did things right and properly. And now look at the times we live in! O tempora! O mores!" as the great Cicero so famously said. He lived in the time of Julius Caesar, so people were making that complaint back in the 50s BC.

It seems to me to be wrong to expect the procedures of this House to be adjusted for some absurd new politics. As we all know from the book of Ecclesiastes, there is nothing new under the sun. That is actually right. Politics is never new or old; it is always the same. People want to get what they want and use strategems and sometimes even tricks to get it. We may be shocked at the tricks, but that is the reality.

The hon. Member for Hayes and Harlington said on a point of order that the will of the House was not being shown, but I think it was. The vast majority of the House decided that, actually, the Bill was not of sufficient importance to warrant their attendance.

Mr Nuttall: My hon. Friend makes an interesting point. The Bill's title was designed to encourage exactly that response from Members. To be fair to them, I can quite appreciate that they would look at that title and think, "There's not much here, move along," but in fact, when we study the detail of the Bill, we find that it is a very substantial piece of legislation indeed.

Jacob Rees-Mogg: My hon. Friend is absolutely right. I was about to say that his speech reminded me of an age of politics when things worked. His was the form of speech that this House was used to when it was at its greatest, when it was the House from which legislation came that ruled an empire and a quarter of the world.

Mr Deputy Speaker (Mr Nigel Evans): Order. My education is furthered every time I listen to you, Mr Rees-Mogg. I am more of an expert now on Cromwell, Cicero and a lot of other great historical figures, but I was wondering whether there was any vague possibility of addressing the Bill before the House today.

Jacob Rees-Mogg: Mr Deputy Speaker, I was referring to the opening remarks of the hon. Member for Hayes and Harlington and following up on those, as I now wish to follow up on the remarks made by my hon. Friend the Member for Bury North (Mr Nuttall). His speech was in a fine tradition of the House. In the 19th century, speeches of two and a half hours were common. I do not know whether the hon. Member for Bolsover (Mr Skinner) was here for the Don Pacifico debate—*[Interruption.]* I am pleased to hear it. The great Palmerston spoke for two and a half hours in that debate, and I feel that my hon. Friend the Member for Bury North is becoming Palmerstonian in his approach to the House.

It is important that our procedures are respected and that they operate fairly and properly. Part of that procedure is that if 100 do not go through the Division Lobby to support a closure motion, there can be no closure. That is perfectly justifiable, and it ought not to be brushed away by some airy-fairy talk of new politics.

Jim McGovern (Dundee West) (Lab): I am grateful to the hon. Gentleman for giving way, but I am not quite sure that I am so grateful for his history lesson. When he talks about these days past and the British empire and so on, does he mean when working-class people knew their place?

Jacob Rees-Mogg: The hon. Gentleman is trying to lead me astray. Mr Deputy Speaker asked me not to carry on talking about history, but I disagree entirely with the hon. Gentleman's point.

On the specifics of the proposals, we have to look at the Bill in its context. We need not go back to the great strikes of early history. I was thinking initially of Achilles sitting in his tent and about whether that was a first example of industrial action and the withdrawal of labour, and about whether we should get on to Patroclus and so on, but I thought that would be too abstruse at this time in the afternoon. However, the Bill is important because it would take us back to the industrial relations of the 1970s and 1980s, so the immediate historical context is of tremendous importance. I remember growing up—I was a child once, although I never normally admit to it. We had a wonderful debate the other day with all sorts of people saying they had once been 16. I sat here wondering whether I had ever been 16 and hoping that it had passed by quite quickly. However, when I was a child, I saw the streets, including Leicester square, used as a dumping ground for rubbish because of strikes. They were strikes that had been called not with any democratic oversight, but because unions had the ability to bully their members.

The great lady, Margaret Thatcher—Baroness Thatcher, Lady of the Garter—came in and pulled this country up by the scruff of its neck. She introduced legislation, which was opposed every time by the socialists—they opposed everything she did—to democratise the trade unions and bring them under the control of their members and to allow this country to be run by its democratically elected Government, rather than by the grand, godfather-like bosses of the trade union movement. Anything that takes us back to those days would be desperately unfortunate and risk our seeing the same number of strikes that we saw in the 1970s and 1980s and the destruction of British industry.

Our car manufacturing was destroyed by strike after strike called from mass meetings. Do hon. Members remember those mass meetings? Do they remember watching them on the television? Do they remember the voice votes controlled by a few bullies? A hand or two would go up, but they would never be counted. That was the type of behaviour we had in this country before the laws that Margaret Thatcher introduced. That put us back on to a proper footing, where prosperity could arise, commerce could take place and business could flourish. We saw the launch pad built for an amazing economic performance that was no longer being destroyed by the trade unions.

Philip Davies: Does my hon. Friend agree that there is further to go down this route, and that if we are trying to make potential strike action fairer, which seems to be the purpose of the Bill, we should instead be providing that more than 50% of those balloted, rather than just of those who voted, have to have voted for strike action before a strike is called?

Jacob Rees-Mogg: My hon. Friend knows that I have an affinity for thresholds in other circumstances. Obviously, I am not going to talk about that, because it is not germane to the Bill, but I think it right that a sufficient number should express their will for a ballot to be valid, and that while we are debating Second Reading, we ought to think about what else it could have said, had it been a better Bill—a Bill that the House might have liked and approved on Second Reading. It could have contained further reforms to give power back to the members. I actually believe in the slogan used by Baldwin for his election: "Trust the People". The people are the masters of their politicians, and they know what is best for them, and the greater the democracy in trade unions, the better it is for their members.

I was struck by the Minister's comments that the Bill would make 15 sections of the Trade Union and Labour Relations (Consolidation) Act 1992 subject to accidental mistakes and a broad interpretation. Does that not make the hairs on the backs of hon. Members' necks stand up, when they think of what has gone before, and when they think of the possibilities for manipulation and for people to stand over others as they fill out their ballot papers? Perhaps it would be done in the canteen. Perhaps one person would gather everyone together, and if only 20% of the vote went astray, nobody would mind. It would not be substantial; it would be a minor error, a small failing, a little bit on the side.

Andrew Bridgen: Does my hon. Friend agree that were the Bill to become law, it could be viewed by a vast number of unions and union officials, who are quite capable of running a ballot in line with the current regulations, as a complete insult to their intelligence?

Jacob Rees-Mogg: My hon. Friend is absolutely right. If a union cannot run a ballot properly, that is a disastrous state for that union to be in, but people use the mechanisms to hand. We should always be

suspicious—always cautious, always careful—about allowing exemptions, because as soon as we do, people work out how to use them for a purpose other than that which was initially intended. That is why legislation in this place needs to be so properly considered—and considered in due and appropriate detail—because when it is not, people might actually believe the title of the Bill, which I come back to.

As the Minister so rightly said, the title refers to "Minor Errors". Clause 2 deals with the short title, and although I doubt whether the short title of a Bill should very often be a contentious matter, on this occasion I think that it is. I do not think that the Bill ought to be called the Lawful Industrial Action (Minor Errors) Bill. If passed, it should be called the Lawful Industrial Action (Coach and Horses) Act 2010, because that, as I said in an intervention on the Minister, is what it would do to the law as it stands. The Bill would get rid of so many safeguards, and this House is here to safeguard the British people—our electors—not just from over-mighty government, but from over-mighty private organisations that may wish to use and abuse their power.

Philip Davies: On that theme, does my hon. Friend agree that one thing that the Bill does not address is the damages that have to be paid by unions that call for action that is later found to be unprotected? Damages are capped at £250,000 in those cases, whereas the strikes at BA, for example, cost BA £40 million.

Jacob Rees-Mogg: My hon. Friend makes an extraordinarily good and wise point. This would have been a better Bill if it had sought to raise that cap and made unions responsible for their unlawful errors.

Jane Ellison (Battersea) (Con): As I might not get the chance to make my own contribution, I wonder whether my hon. Friend shares my concern that, throughout this debate, this new concept of "substantial compliance" has not been properly addressed. It has been introduced to us in this small, "minor-errors Bill", but it is actually a big idea and quite a concerning idea. However, at no point has anyone on the Labour Benches risen to make any attempt at giving us a definition. This debate would have been a great deal more substantial had someone attempted to put some flesh on the bones of that small phrase.

Jacob Rees-Mogg: My hon. Friend is spot-on. We had a discussion about that on this side of the House. My hon. Friend the Member for Dover (Charlie Elphicke) elucidated for us what was meant by "substantial", and said that in law, it meant an 80:20 level. I am not lawyer, but I was interested by that.

Jack Dromey (Birmingham, Erdington) (Lab): The hon. Gentleman's knowledge of members is presumably that of the Carlton club and his knowledge of the shop floor presumably that of Fortnum and Mason. Does his knowledge of the law lead him to understand the jurisprudential concept of de minimis non curat lex?

Jacob Rees-Mogg: I am so grateful to the hon. Gentleman for making that point, which is one that I made to the Minister myself, when sadly he was not present. Indeed, the *Hansard* reporters asked me to spell it out, so the hon. Gentleman will notice that it is in *Hansard* tomorrow. De minimis non curat lex is, of course, a right and just principle, but it is in existing law. The question of what is "substantial" is the important one, and an 80:20 test is deeply unsatisfactory, because it simply allows too much impropriety to take place.

For the benefit of the hon. Gentleman, who is interested in my clubs—I believe that I am allowed to answer this point, Mr Deputy Speaker, as it was raised in an intervention—I should add that I am not a member of the Carlton club, although I think it is in a very fine building and has an excellent membership, and that I think that Fortnum and Mason is a very fine shop, and would be very happy to place that on record.

I would like to return to the Bill.

Andrew Bridgen: In the light of the interventions from various Labour Members, does my hon. Friend agree that pretending that only they care about workers' rights is a fallacy? My great-grandfather was one of the founders of the union movement. My grandfather was a miner, and my other grandfather—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 29 October.

Business without Debate

SPORTS GROUNDS SAFETY AUTHORITY BILL

Bill read a Second time; to stand committed to Public Bill Committee (Standing Order No. 63).

SECURED LENDING REFORM BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 December.

ELECTORAL LAW (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 14 January.

PARLIAMENTARY STANDARDS (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 November.

SAFETY OF MEDICINES BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 November.

Marine Training and Employment (River Thames)

Motion made, and Question proposed, That this House do now adjourn.—*(Jeremy Wright.)*

2.31 pm

Simon Hughes (Bermondsey and Old Southwark) (LD): I am grateful to Mr Speaker for giving me this opportunity to have my first Adjournment debate in this new Parliament. I am also pleased that the Under-Secretary of State for Business, Innovation and Skills, my hon. Friend the Member for Kingston and Surbiton (Mr Davey) is going to respond. I am smiling to myself a little, because I can remember the days when he first came to the House to work for our party as one of its key researchers. Clearly, the mentoring that some of us gave him has worked to good effect, and we welcome him to this responsibility and his important job in the Department.

During the election campaign, I decided, for the first time in the eight campaigns that I have fought, to set out the top 12 issues that I wanted to flag up as commitments to my constituents. One of those—No. 5 on my list—was entitled "Jobs and the river", and in it I pledged to negotiate with the Greater London authority, the Port of London Authority and local councils

"to provide a local site for boat building and repair, giving jobs and apprenticeships to Southwark residents."

The reason that I am starting that campaign here and now is that the riverside constituencies in London that have a tradition of providing work, and workplaces, for people in the river industries need to have that interest rekindled. The Thames should not simply pass Southwark's northern shores; we need activity to take young people and others into training and apprenticeships, and then into work, in river-based industries.

There are some places in which people can start to acquire those skills. The London Nautical school, just over the border in the constituency of the hon. Member for Vauxhall (Kate Hoey), serves her constituency and mine. It is a state school, a community school, with a very fine tradition, and it takes boys from the age of 11 who have an interest in marine and maritime matters, on which its curriculum places a special emphasis. It produces people who go off to work in the Royal Navy and the merchant navy, as well as into all other walks of life. South Bank university, Southwark college and the other further education colleges also provide some of the necessary engineering skills. There is no sense, however, that we are producing people with the skills to work on the river or that we are trying to recruit from the local work force to do the jobs on the river.

You may think, Mr Deputy Speaker, that the days of glory of trade and work on the Thames have gone because there is not as much bustle outside the windows of the Palace of Westminster as the pictures and prints portray, but the reality is that the port of London is hugely successful and the tidal Thames is getting busier, not less busy. There is not only more tourist traffic, but more commercial traffic. It is interesting to note that there is much more commercial traffic doing things that are environmentally good, such as taking waste from one part of London to another, which used to be carried on the roads but was not well received when it was transported in that way.

There are likely to be major pieces of work ahead related to the river. First, there are the plans of Thames Water to have a new mains sewage plant installed across London, which will involve a lot of digging, some of it controversial when it comes to my constituency, but I shall not go into any more detail on that for now. The work for the 2012 Olympics is also producing a lot of construction traffic, much of it using the river. Boats come up and down with materials and products and then take waste and other things out of the way.

The port of London handles 50 million metric tonnes a year; it is the largest port in southern England. About 2 million tonnes move within the Thames area, moving from one part of the river to another. There are links to business on the river—in the City as well as local firms—involving 46,000 full-time jobs; and there are 70 working port facilities on the river, 25 of which are west of the Thames barrier. There are 4 million passenger journeys made on the river every year, and nearly half all the traffic on inland waterways in the UK is on the Thames. That shows that this debate is not relevant only to me and my parliamentary neighbours—or to those of us who, like my hon. Friend the Minister, have the privilege of representing riverside constituencies—as the issues are of national as well as regional and local relevance.

The Thames will get busier in the future. The building of the Thames tunnel from 2013 will mean an extra 100 boats. Then there is the building of Crossrail, bringing the need to transport all the soil dug out of the ground. Further developments are planned in Charlton, for example, and Sainsbury's has a large distribution centre on the river and it is thinking about opening up the wharves nearby to allow for the distribution of goods to shops along the river. Then there is the possibility of a dedicated cruise terminal near Greenwich. If we are to service all that, we will need new boatyards and repair facilities on the Thames.

I want to deal with two reports, which I commend to the Minister. I hope that he will take what they say away with him—not just for his own Department, but for other Departments with an interest. The issues straddle the Departments. My hon. Friend is good enough to reply to my debate on behalf of the Department for Business, Innovation and Skills, but the Department for Transport and the Department for Communities and Local Government are also interested.

I would like to share with the Minister some of the conclusions from a report entitled "Assessment of Boatyard Facilities on the River Thames", which was produced in 2007. It points out that there has been an

"increase of 20% in the number of vessels registered"

for commercial use between 1999 and 2006, but:

"The availability of boatyards in Greater London has remained largely unchanged since 2000".

The London plan seeks to protect boatyards against development for housing and other uses, but there has often been a struggle about that—for obvious reasons, as these are valuable bits of real estate on the river, where property developers have an interest in building luxury flats.

The report also informs us:

"Only two boatyards regularly build boats".

but a larger range and number of boatyard facilities are available for private boat owners than for commercial operators—and there are 16 boatyards working for the private owners.

What we need, and what the report recommended just three years ago, is, first, a

"site for a new boatyard to maintain passenger boats, support vessels and river piers".

Secondly, we need action taken

"to improve the availability of facilities for emergency repair"

an issue to which I shall return in a few seconds. Thirdly, the report stresses the importance of having repair facilities here, because otherwise boat building and boat repair have to go from the Thames and round to the east coast. By definition, that takes a while—it is a journey of several days—and has the risk that some vessels are not licensed for that sort of North sea journey, although they are licensed and equipped to work on the Thames.

Another recommendation three years ago was that there should be an

"opportunity to link the provision of new boatyard facilities with training in marine industry skills".

The report also stated:

"The opportunity for the public sector activities and facilities in maintaining boats and passenger vessels should be explored",

with some of the private developments that may come on stream. It also recommended:

"Opportunities should be taken to provide additional facilities for private boat owners in the redevelopment of Thames side sites".

I know the pressures that exist. When I was first elected—more than a quarter of a century ago—I used to be able to walk along the river and see boatyards, boatbuilding and boat repair in my constituency around the Surrey docks. Yes, we have marinas, at Greenland dock and South dock, but we do not have the repair and maintenance facilities. There is nowhere that a 16-year-old can go to learn the skills, which the Thames and Britain need, of working on boats on the river. Strangely, no facilities exist locally to carry out emergency repairs on the river to rudders and propellers. People therefore use the traditional method of beaching the boat at low tide and doing the repair there. Self-evidently, that is not nearly as satisfactory.

The Thames has three working boatyards, but the biggest boats cannot use them. The largest passenger boats must go to East Anglia—to places such as Lowestoft. There are dry docks in use, small boatyards in my hon. Friend the Minister's area of, Kingston and Richmond, some Thames repair facilities in Gravesend and the Port of London authority facility in Denton, and a dry docking facility that has been retained. However, that is not enough by a long way, given the big businesses that still exist, such as Tate and Lyle at Silvertown, which was the largest sugar refinery in the world. There is an eminent firm based in my constituency called City Cruises, run by two of the great protagonists in redevelopment along the river, Gary and Rita Beckwith, to whom I pay tribute for their work generally and for pressing me and others to do something about producing a new facility. There is Thames Clippers based in Trinity Buoy wharf, and Thames Luxury Charters based on HMS Belfast in my constituency. An integrated approach is needed from central Government and local government.

Kate Hoey (Vauxhall) (Lab) *rose*—

Simon Hughes: If I can delay the hon. Lady a moment, I will make another point.

We need to make sure that the price of development land does not price out such activities. Therefore, there is a planning issue for central Government and local Government. When the localism Bill is introduced later in the Session, we need to ensure that central Government and the London government have the necessary powers. We need to ensure that the PLA has the powers to retain yards, if it needs them, and that we do not lose any more sites.

Another point—I think this is the matter on which the hon. Lady wants to intervene—is that we do not have enough qualified people with local navigational knowledge as boatmen on the river. Therefore, during times of peak tourist demand, not enough people are available to run all the boats on the river. In this age, we must not introduce regulations that make it impossible for those who have traditionally worked on the river to retain their qualifications. We must not lose their skills.

Kate Hoey: I congratulate the hon. Gentleman, my friend and constituency neighbour, on his chairmanship of the successful Mayor's Thames festival. I agree with all his comments, and I am particularly concerned about the seemingly unnecessary extra regulation, which is being interpreted by the Maritime and Coastguard Agency. Skilled, experienced boat masters, whose standards of safety should make us proud, are being asked to go and take examinations again. For many of them, that is quite insulting. Will he join me in urging the Minister to ask the MCA to engage constructively with Thames boat masters to reach a solution that preserves their existing skills and experience and does not subject them to something that is not legally necessary and does not happen in other inland waterways?

Simon Hughes: I will not repeat the hon. Lady's point: I hope that the Minister will take up the matter with colleagues across Government. I am not arguing for a deskilled or less skilled work force—I was my constituency's MP at the time the Marchioness sank, and the hon. Member for Hayes and Harlington (John McDonnell), whom I also much respect on these matters, also remembers those days. We need a highly skilled work force, but we also need to use the skills that are historically acquired, because the Thames is a dangerous river to work on.

People sometimes underestimate the strength of the tides and currents, which are extremely dangerous and can be fatal, as was seen at the time of the Marchioness and has been seen on occasions since. It is vital that we retain our current work force, but also build a new generation to take the jobs.

John McDonnell (Hayes and Harlington) (Lab): I refer the House to my entry in the Register of Members' Interests with regard to the National Union of Rail, Maritime and Transport Workers. The RMT has learned that some boat masters are being tested on parts of the river on which they never sail. It seems that this is being used almost as an income earner for the Maritime and Coastguard Agency, rather than a genuine new regime for ensuring safety.

Simon Hughes: I should be happy to talk to the Government about that, along with the hon. Gentleman and the hon. Member for Vauxhall. No one is saying that there should not be an assurance that people have the skills that will enable them to continue to do the job. The Port of London authority tells me that the tests are not full-blown examinations, but oral checks and so forth. We are not asking for a draconian change in the rules or any lessening of safety provision, but we need to ensure that we do not lose the skills that are required. My grandfather was a sailor—he had sailed since he was 16—and I know that as much can be learned from experience as from books, manuals and maps.

I commend to the Minister—I will ask his Department to look at it, and to respond to me—a proposal for a London marine hub, which builds on the Government's policy of using our ports to develop new industries. One of the potential sites is Deptford. City Cruises says that the hub would give us

"strategic infrastructure... a cluster of marine skills and expertise which can develop into a centre of excellence",

along with

"employment creation in an area of London"

—an area that has traditionally suffered from high unemployment—

"where there are... few new businesses offering skilled and semi-skilled manual work".

That would allow the experience of the old generation to be retained and shared with the new generation. I hope that the Government will respond positively by examining the proposal with the Greater London authority, the Port of London authority and others.

The Government are very committed—as I am—to ensuring that we give much better skills to people who do not aspire to be academics or acquire doctorates, but have manual skills and can use their hands along with their brains in the interests of the economy and the city. We, in boroughs such as mine, are certainly willing to support such initiatives, using our universities and further education colleges.

I hope that my hon. Friend the Minister will see this as the beginning of a dialogue that will, sooner rather than later, provide opportunities on the river for people to be given training and work, while also helping the river business by providing the facilities that we have lost, or are in danger of losing, from the Thames, so that it can become not just a great river to look at and a great symbol of London, but a great working river once more, bringing jobs, skills and success to the London and British economies.

2.47 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I congratulate my hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes) on securing the debate. It is typical of him that, having made a promise to his constituents at the time of the general election, he is already mounting a very effective campaign. I hope that, working with the Mayor of London and others, he will be able to achieve his aims.

It has always been a privilege to work with my hon. Friend. I have campaigned with him in his constituency, and it is quite humbling to knock on doors and find that, apparently, everyone knows Simon and has been helped by him. He is held in huge regard by his constituents, and, of course, by many in the House. When I worked as an adviser to the Liberal Democrat party before being elected to Parliament, I worked with him on issues such as the environment and employment. It therefore comes as no surprise to me that he is currently campaigning for employment on the River Thames for his constituents.

I hope that my hon. Friend will forgive me if I cannot answer every point that he has raised, not least because some were directed at the Department for Transport—although I shall try to assist to a small extent—but also because I am standing in for the Minister for Further Education, Skills and Lifelong Learning, my hon. Friend the Member for South Holland and The Deepings (Mr Hayes). However, I hope that I can reassure him about some of the issues that he mentioned, and, indeed, encourage him in his campaign. As he said, I represent a London constituency that borders the Thames. Indeed, I live five minutes from the Thames, where there is a small boatyard, Harts Boatyard, as well as a firm called Turk Launches and many pleasure and leisure activities.

My hon. Friend's point about the river's potential for improving our economy was extremely well made. I share his interest in how we can harness the river's considerable potential to fuel economic growth and provide jobs, especially for our young people, in the marine industries. As he said, the Thames already plays a significant role in the economy of London and the south-east. The port of London, for example, is estimated to contribute £3.7 billion a year to the economy. As he said, the port handles over 50 million tonnes of cargo, from fuel to food, cars to containers. It sustains people in a diverse range of employment—manufacturing workers, cargo handlers, drivers, warehouse staff and ships' agents, to name but a few.

In addition, the Thames is growing in importance as a means of transporting commuters and indeed tourists around London. According to Transport for London, the number of passenger journeys has risen substantially in just two years—from 2.75 million in 2006-07 to 3.9 million in 2008-09. That confirms the need for investment in skills, so that that growing activity can be serviced in the way my hon. Friend talked about.

I am sure that my hon. Friend is aware that there are ambitious plans to increase the Thames area's already substantial economic contribution. The London Gateway scheme, headed by DP World, is delivering £1.5 billion of inward investment to build a new deep-sea container port and Europe's largest logistics park. The development, at Stanford-le-Hope in Essex, is the most significant port development in the UK in the past 20 years. London Gateway is the single largest job-creation project in the UK today. It is expected to deliver 36,000 direct and indirect jobs, and contribute around £3.2 billion to the UK economy. Those are developments that I am sure my hon. Friend will welcome.

It is essential that we equip people, particularly our young people, with the skills that they will need to take advantage of those and other job opportunities in the marine industries along the Thames. World-class skills are the bedrock of sustainable economic growth. That was why I was pleased that in the comprehensive spending review this week the Chancellor of the Exchequer announced increased funding for apprenticeships. The Government will boost spending on adult apprenticeships by up to £250 million by the end of the CSR period to

create an additional 75,000 apprenticeship places. I hope and believe that the creation of new jobs and apprenticeships in marine industries in the River Thames basin can benefit from that investment.

The Maritime Skills Alliance, a sector body that works to increase training opportunities within the sector, has recently developed a level 2 maritime apprenticeship. Many of the MSA's members operate along the Thames and it will be encouraging them to offer the apprenticeship to new recruits.

Port Skills and Safety, the industry body that includes the Port of London Authority among its members, is developing a level 2 stevedoring apprenticeship, which it hopes to implement soon. North West Kent college, based at Gravesend, will be a major provider of these new maritime apprenticeships, as well as offering bespoke courses to meet the needs of specific companies. Of course we should not forget the 2012 Olympics and the opportunities that the games will create. Transport for London expects that river transport will play an important role in taking spectators to and from venues. All those opportunities and developments within the apprenticeship sector will speak to my hon. Friend's desire to provide those skills to his constituents, so that they can have jobs along the Thames.

Simon Hughes: I am encouraged and it is helpful to get these things on the record. I hope that colleagues in Government will be positive about promoting and boosting those things. I hope that my hon. Friend the Minister might reflect on the fact that one of the things that we still need to do is to provide sites for shipbuilding and boatbuilding. Most of the vessels—the Queen Elizabeth was launched by the Queen the other day—are built abroad now, rather than in this country. If we have the skills and traditions, with the space available, we should seek to build more of our own river-based and other ships here, rather than having to buy them abroad and only maintaining them here.

Mr Davey: Although I cannot promise my hon. Friend that we will have a rebirth of the shipbuilding industry on the Thames to the extent and capacity that he has talked about, I share his view that we must support companies that are connected with those issues—repair stations, boatbuilders and manufacturers—so that we can develop that skilled work force. As my hon. Friend is probably aware, the Greater London Authority is working with the Port of London Authority to identify sites for new boatyards, and although they may not be of sufficient size and capacity to accommodate international ocean-going liners, we certainly hope and expect they will be successful in delivering new sites.

The National Apprenticeship Service has identified manufacturing and engineering as two of its target sectors. It will be working with employers and training providers to make additional apprenticeship places available where there is local demand both in the Thames area and nationally. These various initiatives are a good start, but more can be done, which is what my hon. Friend is striving to achieve. I therefore welcome the news that next week NAS London, the GLA and the Sector Skills Council for Science, Engineering and Manufacturing Technologies are meeting to discuss exactly this issue. My hon. Friend's debate is therefore timely.

Local authorities also have an important role to play in working with local businesses to generate new economic opportunities for their areas. That is why we are introducing local enterprise partnerships, putting in place a structure that will support this vital collaboration and enable boroughs such as Southwark to work with their businesses to focus on economic priorities, including unlocking the untapped economic potential of the Thames.

My hon. Friend and the hon. Member for Vauxhall (Kate Hoey) talked about boatmen's licences, and I know from discussions I have had with my own constituents who work on the Thames that there has been concern about the changes to the regulations in recent years. My hon. Friend and the hon. Lady will know that these changes arose in part from a need to react to changes in a European Union directive, and this has not been without its challenges. It would be wrong for me to go into too much detail because I am not the Minister with responsibility, but I will ask colleagues at the Department for Transport to respond in detail to the concerns raised. I am not sure whether there is an easy or quick solution, but the fundamental point that has been made is that we must not allow regulations to get in the way of our making sure our young people can have careers on the river, and navigate its dangerous waters safely in the service of Londoners and the many people who visit our capital city. Everyone knows that we have to put health and safety right at the heart of our strategy for using the Thames—my hon. Friend better than anybody given the work he did after the tragedy of the sinking of the Marchioness. We must work with trade unions and local authorities to try to ensure that we have a sufficient supply of boatmen who can provide that critical service. Without their skills we will not be able to make the most of the economic potential of the river; they are central to our strategy for unlocking that. My hon. Friend is absolutely right to focus on the skills element, therefore.

It is of relevance that the Government are taking bold steps on apprenticeships. We have made it a central part of a very difficult spending review to ensure that apprenticeships, further education and adult education remain as strong as possible despite the difficult financial situation. That speaks to a number of agendas including social justice as well as the one my hon. Friend talked about. He has always strongly argued that the FE sector often provides training and education opportunities that other parts of our education system do not, in that, along with adult education, it gives people a second chance. He is right to highlight that.

I hope that I have given my hon. Friend at least some cause for hope. I and my colleagues across the coalition will be very happy to work with him to try to make sure that his campaign is successful. The coalition is committed to building the economy and spreading economic opportunity both on the Thames and across London and the country.

Question put and agreed to.

2.59 pm

House adjourned.

Westminster Hall

Tuesday 12 October 2010

[MR GARY STREETER *in the Chair*]

Epilepsy Services

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Dunne.)*

9.30 am

Paul Maynard (Blackpool North and Cleveleys) (Con): It is a pleasure to serve under your chairmanship today, Mr Streeter. It is also a pleasure to see so many Members in Westminster Hall, which shows how important the topic is to so many people.

I am very pleased to have secured this debate at what is a crucial time for people with epilepsy—crucial because of the uncertainty about how the Government intend to deal with the condition in the future. We are going through a period of structural reform in the NHS, which I strongly believe will lead to substantial benefits for many patients, but there may well be a temptation during this period of reform for the Department of Health to concentrate more on structural reform than on individual conditions such as epilepsy. I want to use this debate to try to explain to the Minister why he should focus on particular chronic conditions and not just on the bigger picture of structural reform. In particular, I want to explain why I think that epilepsy is quite different from many other chronic conditions.

I have epilepsy myself, as well as another chronic condition, cerebral palsy. The cerebral palsy is part of my life, day in and day out; it never goes away, it is always there and I know that it is there. Epilepsy is qualitatively different. I often liken it to a thief in the night, because it creeps up unexpectedly. I have nocturnal epilepsy, so epilepsy affects me when I fall asleep and the chemicals in my brain do whatever they do such that a fit occurs. In my case, fits are triggered by alcohol, so I now have to avoid alcohol continually everywhere I go.

What is important to stress, and what many people without epilepsy may not realise, is the fear that accompanies epilepsy. I do not fear my cerebral palsy, because it is predictable; I know that it is there and I know what is occurring as a result of it. With the epilepsy, however, when I wake up the morning after a fit, I do not know who I am, or even necessarily where I am. My short-term memory has gone and I cannot quite put together what I did the day before, including where I was. Even now, when I have a fit I am not really sure where I am in the country and I fear what has happened to me overnight. Have I soiled myself? Is there a mess on the floor? Will I have to call for help and have to deal with the embarrassment that that might cause? It is therefore very important to stress to those who do not have epilepsy the fear that accompanies a fit, or rather the fear that accompanies the aftermath of a fit. It is not the fit itself that is the unpleasant experience for those of us with epilepsy, because we do not experience it; we are not there during a fit. It is the aftermath—dealing with the consequences of a fit—that is often the problem.

For many people with nocturnal epilepsy, perhaps the biggest fear is something called SUDEP. Those without much familiarity of epilepsy may not be aware of SUDEP, but it stands for sudden unexpected death in epilepsy. Almost 1,000 people die from epilepsy every year, many of them in the younger age groups, and two thirds of those deaths are avoidable. As I say, SUDEP particularly affects young people, yet one survey by Epilepsy Action found that 33% of primary care trusts lack a transition plan for the transition of individuals from childhood to adult care. I think that such a plan is vital, because when an individual moves from childhood to adult care, that is their period of greatest vulnerability. Many of the tragic cases that I have received letters about—I know that many other Members here today have also received such letters—involve young people who one minute were living a happy, normal life, and then suddenly one night they went to sleep and did not wake up. To me, such cases are great tragedies. A focus on the provision of better-quality data on children's epilepsy and transition care is needed, to see whether we can prevent such cases from occurring. If we could only match the median death rate for the 15 original EU member states, for example, we would prevent a quarter of the current deaths from SUDEP in Britain. If that number of deaths was caused by a single transport accident, we would have a public inquiry tomorrow. These days, calling for a public inquiry has become something of a cliché, but I am talking about a substantial number of deaths, and I believe that we can make progress in reducing it.

The issue is not only the human cost, but the financial cost. In particular, I want to focus on misdiagnosis. Epilepsy Action says that between 20% and 30% of cases of epilepsy are misdiagnosed, at a cost of £140 million to the NHS. I know from personal experience that misdiagnosis happens. When I first started having fits at night, when I moved down to London in my early 20s, I did not really know what was happening to me. I just thought that I was falling out of bed, but there was blood everywhere and I could not quite put two and two together. One evening, I threw myself out of bed sufficiently hard that I banged my head against my bedside table and had quite a deep cut between my eyebrow and one eye, missing taking my eye out by the narrowest of margins. My next door neighbour said, "I really think that you ought to go and get that seen to." I did not want to get it seen to, because I could not really explain to the nurse what had happened. Nevertheless, I pootled down to the hospital, where the attitude of the nurse was to say, "You've been drinking, haven't you?" To my mind, that is a classic example of misdiagnosis. A chance to diagnose me with epilepsy and to start me on a treatment plan was missed because there was a presumption that I had been drinking and that the cut I had suffered was caused by drunkenness.

Misdiagnosis affects the treatment of epilepsy at every stage of the process. Apparently, some 74,000 people who are diagnosed with epilepsy do not actually have it. Not only does that misdiagnosis have a cost in terms of the cost of the drugs that those people are put on, but it has a human cost in terms of the stigma that those people feel that they have to bear and the worry that they face in their daily lives. If they could only be diagnosed with what they actually have, rather than with what they do not have, that would improve their lives.

[Paul Maynard]

There are also 69,000 people who have the wrong type of epilepsy diagnosed. I have gone into quite some detail about the type of epileptic fits that I have. I gather that there are some 40 varieties of epileptic fit that can affect an individual and they all require slightly different treatments, so it is important that people are given the right diagnosis. That is why specialisms matter. Epilepsy is special and I want the Minister to regard it as a special type of chronic condition. That is not to say that other chronic conditions do not matter or are unimportant, but epilepsy is quite different from many other chronic conditions and it needs to be treated in a special way.

That special treatment means having special GPs to deal with epilepsy. I was fortunate that, when I was first diagnosed with epilepsy, I had a GP who was interested in the condition. When I moved house, my next GP was not quite so interested in epilepsy, so the nature and quality of my treatment and care changed. With the formation of local commissioning groups, I hope that we will have the opportunity for GPs to develop those specialisms and to build on those interests, not just in the treatment of epilepsy but in the treatment of the other special conditions that people regularly go to their GP about. I think that local commissioning groups offer an opportunity to advance that agenda and I urge the Minister to explain to us how he thinks the groups can help GPs to develop those specialisms.

It is worth highlighting a report by the all-party group on epilepsy back in 2007—three years ago now—which contained a fantastic quote from Dr Hannah Cock, a senior lecturer at St George's hospital, who said

"Unless patients with long-term epilepsy at general practice level are in crisis, they do not get referred."

That is a very important point. People should not have to wait for a crisis to occur before they get the treatment that they most need. I know that President Obama's recently retired chief of staff is known for saying, "Never let a good crisis go to waste," but when it comes to epilepsy care, we do not want to get to that crisis point. We want to have consistency of care and that consistency of care is itself very important.

In particular, I want to raise the issue of generic substitution, which again might sound rather arcane to those who are not familiar with it. Like many other people, I take a regular dose of medicines and tablets. I go down to my pharmacy every six or eight weeks to pick up my new set of prescriptions. I have no problem with the idea of substituting generic medicines—it is important that we get value for money and effective medicine. What I am concerned about and what I ask the Minister for reassurance on is consistency of supply. Although the name on the packet might be the same, if the drug comes from a different manufacturer that uses a slightly different compound—if it is altered in ever so tiny a way—it can have a massive impact on how my brain reacts when various things occur in it that might lead to fits. Consistency of supply, not generic substitution itself, is my concern. I know that the Department has engaged in a consultation on the matter, but for the sake of the many people like me who are worried about it, I ask for some reassurance.

The other issue involving consistency on which the Minister can offer some comfort is specialist nurses. They are a wonderful idea. Epilepsy Action has been campaigning to promote their virtues, referring to them as "sapphires", and they have an important role to play. We have about 250 at the moment, but the best estimate of how many we need is 1,100. There is clearly a gap, and those who are retiring or leaving are not being replaced, so the shortage will continue to worsen. The previous Government recognised the importance of sapphire nurses and was going to study their effectiveness. Will the Minister reassure me that the current Government will proceed with that study and recognise the importance of such nurses? Specialist nurses are a cost-effective means of providing consistent low-cost care that monitors a patient's condition over time, ensuring that any blips on the radar are picked up early and preventing the need for costlier intervention further down the line.

That is the crucial point: better care and treatment are more cost-effective. We are all, I hope, looking for ways to save money, and that is one way to do so. We do not want inadequate care at the primary care stage to lead to more expensive tertiary care later. We do not want crises to occur. Cheaper care occurs in a primary setting and helps individuals to manage their condition, putting the patient in charge. However, to use the word "special" again, we need more specialism at the tertiary level as well. Neurological consultants are thin on the ground, but neurological consultants with an interest in epilepsy are even scarcer. They offer one way to help to prevent and correct misdiagnoses and to get it right the first time, but I gather from another Epilepsy Action survey that 90% of primary care trusts are not meeting the recommended two-week deadline for seeing a consultant.

I say that with a degree of caution, because I am no fan of two-week deadlines. They can be artificial, lack clinical sophistication and rob clinicians of their own clinical judgment. I have never been a fan of the two-week deadline. However, in my view, it has slightly more than a decorative role, if only because a lot of people present to their GP when the sort of crisis that I mentioned has occurred. Some degree of urgency in referral is needed, particularly because I hear many stories of cases where patients have died after referral but before having seen a consultant. That is an avoidable tragedy. We do not need artificial deadlines or targets, but there needs to be some way to ensure that urgent cases are referred promptly and reasonable confidence that they will see a consultant within a reasonable period.

I also ask for a bit of special treatment on the national level. I would be interested to hear whether the Minister might consider creating the post of national clinical director for epilepsy, which has been a long-term demand of many organisations in the Joint Epilepsy Council. One can commission successfully at regional level—it has been done in many parts of the country for many chronic conditions—but a degree of national oversight is needed to ensure that standards are set and adhered to. I realise that the National Institute for Health and Clinical Excellence has set clinical guidelines, but I have concerns.

In 2005, I was fortunate enough to be the parliamentary candidate for Twickenham, not far from the Minister's constituency. I wrote a letter to the local paper during national epilepsy week because I wanted to highlight the issues, and someone wrote in the next week to say that clearly I was possessed by evil spirits. I had thought that Twickenham and south-west London were a

particularly liberal, enlightened part of the world. That is what I was always told; they were so sophisticated that they had discovered liberal democracy a few years earlier than the rest of us. Blaming evil spirits was perhaps a bit unfair to me, but for many patients, NICE clinical guidelines are a bit like spirits. They have no real substance or tangible meaning, because they are not mandatory.

I know that there is always a big discussion about whether clinical guidelines should be mandatory if we do not want to take clinical power away from consultants, but clinicians are frustrated that they cannot implement the guidelines, and patients are equally disappointed that the guidelines do not mean anything in reality. There is a perhaps more philosophical question to be dealt with. If we are to have clinical guidelines for any condition, how can we deal with the fact that clinicians need to be reasonably confident that they are supposed to implement them and patients need to be confident that they will mean something? There is no point having clinical guidelines as decorative features. They are not Christmas trees; they are meant to help clinicians give better treatment.

The last Government met the Joint Epilepsy Council. I pay immense tribute to the then Opposition spokesman, Earl Howe. I know how much he has done on epilepsy and I have worked with him for many years. He is a good man, and I more than anyone am delighted to see him a Minister at last. He told the conference of NHS commissioners to go away and make a difference. How, specifically, does the present Minister think that NHS commissioners are making a difference? In particular, I make a plea to him to meet with me and representatives of the epilepsy charities—the Joint Epilepsy Council, Epilepsy Bereaved, Epilepsy Action—and senior clinicians to discuss some of the sector's fundamental concerns. As I said, better treatment and better care will lead to bigger cost savings for the Department, but more importantly, they will improve quality of life of the 400,000 people in this country who have epilepsy.

I was surprised to read that the primary care trust for my Blackpool constituency has the highest incidence of epilepsy in the country. I had not realised that. We are talking not about a small group but of a large group of people who must deal with an immense stigma in their lives, as I know some of my hon. Friends will describe. We must deal with it day in, day out. Epilepsy is unlike any other chronic condition. I thank the Minister for listening and my colleagues for attending. Can we please hear some good, positive news about how the Minister intends to take the agenda forward?

9.48 am

Dr John Pugh (Southport) (LD): I congratulate the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on speaking in such a personal and informed way. With your indulgence, Mr Streeter, I welcome the new shadow Health Secretary, the right hon. Member for Wentworth and Dearne (John Healey), to our midst. I congratulate him on his party's endorsement of him. Achieving such a position in the rankings can only be a reward for the competence and ability shown over a sustained period.

Flattery aside, epilepsy is one of the oldest diseases known to man. It has affected many celebrated and distinguished people—not only the hon. Member for Blackpool North and Cleveleys but Julius Caesar and Dostoevsky, whose book "The Idiot" contains the best literary encapsulation of what it is like subjectively to experience the condition. However, for many people, it is a profoundly socially debilitating experience. My first encounter with it as a fact of life was when I was a child in primary school in Maghull. On my way to school, I walked past what was in those days called an epileptic home, where it was not uncommon to see the rather distressing sight of a man—he seemed quite elderly, but was presumably younger than I am now—lying on the floor while his workmates gathered around him, spoon in hand to stop him swallowing his tongue.

The presumption in those days was that epilepsy debarred people from a range of activities. Those men were obviously considered suitable only for farm labour and lived, as I said, in what was then called an epileptic home. It is now a nice flat development; care has moved on. Things have improved enormously, largely due to the intervention of drugs, better neurological understanding and the involvement of patients and patients' groups—I think the hon. Member for Blackpool North and Cleveleys alluded to the expert patient programme. People have become better at controlling the condition and, indeed, at preventing seizures within the condition. These days, many people who have epilepsy do not actually have seizures.

However, when we consider the provision available for the condition, it is manifest that we need centres of special excellence, such as the Chalfont Centre and the Walton Centre for Neurology and Neurosurgery NHS. There is a high rate of misdiagnosis and epilepsy is not a subject on which even an acute hospital always has the relevant or best expertise. It is also clear that the prevalence of the condition means that specialist support has to be available locally in the acute environment and in the community. Nurses need to be able to give the patient the support that they need. That is particularly the case for children who, of course, are not expert in their condition. Such general provision is needed to improve diagnosis and treatment, to control symptoms and to provide advice. As well as doctors and specialists, nurses are clearly crucial, and that was, in fact, the theme of the hon. Gentleman's comments.

My research on the subject so far has clearly shown that treatment is a lottery for patients across the country and that access to centres of excellence varies. Appointment times, local commissioning and support differ from primary care trust to primary care trust. Such is the variation that the Minister of Health in the previous Government suggested that strategic health authorities should be asked to review their provision because the statistics were showing that 64% of PCTs had no specialist nurses, and there was a 20% to 30% misdiagnosis element in treatment. It was also said that there were 400 avoidable deaths. I am not sure how that figure was established, but appreciable costs are obviously involved in suing—I have seen £138 million and £183 million mentioned. There are different figures given on that, but clearly the amount concerned is substantial and we need to take the issue seriously, particularly in a time of austerity when resources are perforce stretched.

I hope—the hon. Gentleman certainly shares this hope—that, as we gravitate towards GP-led commissioning, some of those ills will abate and the situation will improve. Presumably, specialist neurological services

[Dr John Pugh]

will be a matter not for local PCT commissioning, but the national commissioning body. However, it is not entirely clear how good or able such a body will be—whether it will be in a strong or weak position—to deal with the matter.

In terms of tracking parliamentary answers, many of which have been provided by the Minister or his officers, no information is collected centrally on specialist appointments or on readmission rates. There is also no information available on the destiny of specialist nurses—how much time they spend performing their specialist function and to what extent they get drafted into other work. There may be enough evidence for a national commissioning body to do a good job and produce the right kind of service across the country to the satisfaction of the hon. Gentleman and all other epilepsy sufferers, but it is not currently apparent that the data are there to allow that to be done.

In addition, it cannot be assumed that all GP commissioners would be able and willing to commission well. I was interested in what the hon. Gentleman said about his journey of moving from one doctor to another, and the expertise being available in one practice as opposed to another. There are quite good reasons why GP commissioners and GPs themselves might not be able to field every episode of epilepsy to everybody's satisfaction—for example, they might have limited clinical experience or be new to the profession. On the basis of the statistics I have seen—I have put them to some use and come up with a figure—I calculate that most GPs probably have on average around 10 patients who suffer from an epileptic-like condition. GPs might not see many people with such a condition very often at all.

So how do we ensure that GP commissioning is, as we all hope, better and not worse than PCT commissioning? I think we all recognise—indeed, the previous Government recognised—that PCT commissioning was by no means perfect. Monitoring GP performance is particularly difficult because epilepsy sufferers are very much a minority. It is not clear who will monitor how well GPs are dealing with the matter. After all, GP performance monitoring is currently done by PCTs and, clearly, GP monitoring that is done by GPs might not be as good as GP monitoring done by others. The legislation does not make it entirely clear how big GP commissioning bodies will be, but presumably they will be on a smaller scale and have fewer resources than the PCTs that they will replace. That is an issue.

When the new regime appears, how will we get improved commissioning, so that there is not a repetition of the problem of a minority condition not being treated particularly well? The Department of Health has a mantra that goes something like this: commissioning is a matter for local decision making and the Department will not tell local commissioners how to do it. However, it will judge them against a quality framework and assess how well they are doing it. I think that the expression is that GP commissioners will be "held to account" on how well they deal with epilepsy as a condition.

That is fine by me. I am very comfortable with that being done—it certainly should be done and I think that the hon. Gentleman will be very comfortable if that is done—but what does the expression "holding to account" mean? The phrase is relatively undefined and I can think of about three different meanings I could give it. The Minister can perhaps tell me which definition is right. If a GP commissioning body fails to perform well in dealing with this chronic complaint, does "holding to account" mean that they will simply be named and shamed? Does such an expression mean GP commissioning bodies will be financially penalised, which is another way of being held to account—if someone does not do the job they are supposed to, they will lose resources as a result; or does the phrase mean—this is the third definition—that GP commissioning bodies will be overruled? The actual task of holding to account is important and it is vital we are precise about what we mean by that. Unless we get the right profile locally, talking a good game here will not make much difference.

In holding GP commissioning bodies to account, we must ask ourselves not only how the issue is examined, who examines it and what they then do, but from where the information comes for such an examination. In other words, five, six or seven years down the line, if we have to examine how one local commissioning body performs compared with another, will the only way to do that be by asking that commissioning body to mark its own papers and provide data of its own choosing? Clearly, that would not be adequate or satisfactory. Those are fair questions.

I think that the Minister and all hon. Members here want progress in dealing with this chronic condition. We do not simply want frameworks, guidance and detail here and there of what should be in place—the hon. Member for Blackpool North and Cleveleys used the phrase "decorative features"—without there being a hard-edged attempt to ensure that what we believe should be in place actually is in place. I conclude by simply pressing the Minister to say what will happen when a GP commissioning body performs less than adequately. Who will do what, when and with which data? That is not a trivial question; it is important to all epilepsy sufferers.

9.59 am

Nic Dakin (Scunthorpe) (Lab): I congratulate the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on securing the debate and on speaking so eloquently, which focused our minds from the start. I am pleased to have the opportunity to say a few words on the impact of NHS treatment on the education of children with epilepsy. The hon. Gentleman mentioned misdiagnosis and the impact it can have on children and on adults, and he mentioned the impact of transition, with 33% of transition plans not being what they should be. That has a negative impact on not only children's health, but, crucially, their education. I am pleased that some students have attended the debate to listen to what we have to say.

There is some very good practice in parts of the NHS, but it is not consistent across the whole health service, and schools and colleges could do much more to support children with epilepsy. I am pleased that the Minister of State, Department for Education, the hon. Member for Brent Central (Sarah Teather), is planning to meet the Joint Epilepsy Council later this month and I hope that she will pick up the matter with the same interest as her predecessor, my hon. Friend the Member for Kingston upon Hull North (Diana R. Johnson).

The education system must learn from best practice so that it can ensure that the education of young people with epilepsy does not suffer as a result of the wrong support in schools. Children experience particular problems in mainstream schools because of the NHS's occasional failure to get their treatment right. I urge the Minister to work with his colleagues in the Department for Education to ensure that minds are brought together on that to get the best deal for children.

As the hon. Members for Blackpool North and Cleveleys and for Southport (Dr Pugh) noted, the move to GP commissioning offers opportunities, but it also offers risks. Whatever changes are made, it is crucial that young people with epilepsy do not suffer further because of increased instances of misdiagnosis and a lack of appropriate support. I hope that the Minister, with his colleagues in the Department for Education, will bring sufficient analysis to bear to ensure that that can be better dealt with in the education system.

We should look at the commitment that is in place in Wales to have a school nurse in every school and consider whether we should have something similar in England to ensure consistency of support for young people with epilepsy and other conditions so that their education is not negatively affected. There is a double disbenefit with epilepsy: there are the health issues, which were explained so excellently earlier; and there are the knock-on effects on children's education. That is what concerns me and why I have spoken in the debate.

10.3 am

Laura Sandys (South Thanet) (Con): I thank my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) for securing the debate, as it is important that the matter is brought to the fore. I am lucky and privileged to be the chairman of the all-party group on epilepsy, and I am pleased that we are joined today by many young epileptic people who are taking their education forward and have a bright future ahead of them. We must ensure that we give them the same future in employment that we give other young people, and that future is about controlling a chronic condition.

Like my hon. Friend, I am epileptic, though I am lucky to have had very few seizures—I have had five in my life and no incident in the past seven years. There is a wide range of conditions—40, as my hon. Friend mentioned. Some people, like me, sometimes forget that they are epileptic, while others have seizures regularly, sometimes daily. The issue we all share is stigma. As soon as one mentions the word "epilepsy", all sorts of extraordinary ideas come into people's minds, and there can be an assumption that we might need constant attention.

Children with epilepsy have a particularly difficult time in school, because even if they do not have any seizures they can be wrapped in cotton wool and stopped from participating in outdoor sports. A child with epilepsy of course needs attention, and my hon. Friend is right that nurses and teachers need to understand that seizures might occur, but we must start to relax about this. We must focus on epilepsy from a medical point of view, but we must not stop young people participating and being part of a life when, with proper diagnosis and the right medication, they can make an important contribution in school and in employment.

I do not know whether other hon. Members know this, but my hon. Friend and I, as epileptics, are not allowed to walk up the stairs to the top of Big Ben. There are many things that we cannot do, such as recreational diving; epileptics cannot go diving unless they have been seizure free for five years and have not been taking medication for that time. I would have thought that it was probably quite useful to take medication, and I have done quite a bit of scuba diving without knowing about those regulations. We are creating barriers because we do not understand the variations in epilepsy. There is extreme epilepsy, mild epilepsy and seizure-free epilepsy, and we have an opportunity to ensure that more people are seizure free and making a contribution to society. I would like the Minister to join us, with the Joint Epilepsy Council, to ensure that we start to make the authorities, teachers and the medical profession understand more about the variations and the opportunities available to people with epilepsy who have been properly diagnosed and are properly medicated.

My chairmanship of the all-party group on epilepsy is concerned with stigma and with those who have severe epilepsy, but also with liberation for those who have controlled epilepsy. When I became chairman, I was contacted immediately by a local GP, who happens to be one of the best in the country specialising in epilepsy. Over the past five years, with seven GPs specialising in epilepsy, we have reduced related A and E admissions in South Thanet by 60%. That is most certainly a cost saving, but also a life liberator. We are reducing seizures for patients across the area, and I would like the Minister to look at what we have done. Patients are getting that primary attention and are not having to wait for months for appointments with consultants. They have ongoing care with specialist nurses.

What we have achieved in South Thanet is a model that could be rolled out over many other specialisms, where GPs who are passionate about a subject can make the difference and ensure that we have a more effective and responsive service. Hopefully we will reach the target for epilepsy, which is for 72% of sufferers to be seizure free. I would welcome the opportunity to meet the Minister and to discuss our services in South Thanet further.

10.9 am

Owen Smith (Pontypridd) (Lab): I thank the hon. Member for Blackpool North and Cleveleys (Paul Maynard) for securing this debate, and for speaking so eloquently and passionately. I do not hope to speak with his expertise, but I do have some expertise, inasmuch as I have a close family member—a brother—who has suffered with epilepsy over the past 15 years. I have some insight into the nature of the difficulties that he has encountered, the problems in the current NHS system, and the issues that emerge in dealing with this chronic but particular condition in that system.

My brother is one of the 500,000 people in this country who have epilepsy. They are a minority, but a significant one—that is a lot of people. He is also one of the 50% of the 500,000 who are not seizure free: he has had a seizure every month, if not every week, for all of the past 15 years. That has had a dramatic impact on his life in terms of what work he is able to do, the energy he has, and the fear that he lives with, which the hon.

[Owen Smith]

Gentleman described so eloquently and which all people who have epilepsy have to contend with on a daily basis, of sudden unexplained death as a result of the condition.

That is my interest. It has given me an insight into issues that have already been raised today about the postcode provision, to use the vernacular, that exists across the NHS. We have a fragmented NHS, particularly in respect of epilepsy. That is the case for many other conditions, but it is particularly true for epilepsy. The phrase "Cinderella condition" is rather overused in the press these days, but epilepsy is one of those conditions. We can genuinely say that it does not have the high profile that it ought to have and therefore does not receive the concentration that it should.

There is clearly fragmented, unequal distribution of expertise in the NHS in terms of general practitioners, who, as the first point of call for anyone suffering with epilepsy, are critical, and nurse specialists. I believe that that is widely recognised. Like the previous Government, the current Government recognise that specialist nursing for epilepsy is under-resourced in this country and, equally, that it is an extremely important means of redressing the problem of insufficient provision of expert GPs.

It is clear that there are few centres of excellence for epilepsy in this country, and, therefore, that people such as my brother, who lives in Wales, have to travel long distances to hospitals or other centres of excellence for prolonged examinations to monitor brain patterns. He, too, suffers from nocturnal epilepsy, and therefore needs to be studied in clinical conditions in hospital to try to determine the nature of his condition and what resources might be brought to bear to alleviate it.

I, too, have some fears about the extent to which the creation of the new GP consortiums will exacerbate the problem of fragmentation and inequality of provision across the country. I can accept that, in areas where there are GPs with a special interest or particularly strong centres of excellence, there may be a beneficial effect in massing GPs together and spreading their expertise through a wider network. Equally, I can see significant potential for unintended dangers if we do not have GPs in those consortiums and we have a diminution of control over, and certainly insight into, their activities. It is unclear what the sources of commissioning will be, and who exactly will be commissioning specialist services. That has yet to be clarified, and I look forward to the Minister's giving us some greater insight into that.

Another thing that I worry about in respect of consortiums is data. We have poor data on epilepsy: how many people suffer, the nature of their condition, how often they attend hospital, how often they are treated for acute episodes. Perhaps if their condition had been managed more effectively, it would not have reached that point. I have tabled numerous parliamentary questions about that recently, and all the answers confirm that we do not gather enough data.

There will be a further danger that we will not gather data if we fragment the NHS to the extent that is proposed with the creation of the consortiums. I hope that the Minister will give us some reassurance that information gathering will be a priority, whatever the structural make-up of the NHS, and that we will continue to see that critical piece of the jigsaw applied in respect of epilepsy care. In recent years, we have seen data gathering become an important tool for tackling other chronic conditions, notably cancer.

I worked in bioscience before coming to this House, and therefore have some insight into the science around epilepsy and the economics around the production of medicines. Prescribing of epilepsy medicines seems to involve a form of Russian roulette because our understanding of this neurological condition is deeply imperfect. For example, my brother has been through 11 or 12 medicines and combinations of medicines. Doctors still employ what is pretty much a hit and hope strategy. Perhaps I am being slightly unfair, but I believe that many epilepsy experts recognise that they do not really know which medicine will work, and therefore they try various drugs until they find the one that works for their patient. In my brother's case, and in the case of 50% of sufferers, they often do not find the one that works, and we get into the more complicated issues around whether surgery is required.

Generic substitution is clearly an issue. We all understand that we need to make savings, and the importance of substituting generic medicines for the original brands when they are available.

Dr Pugh: The hon. Gentleman made a good point about data, which is worth repeating. However, there must be data on every episode dealt with through acute hospital care. His Government introduced the tariff system. Therefore, in some shape or form, the data are there—they just do not appear to be available for clinical purposes.

Owen Smith: The hon. Gentleman is absolutely right, and I have recently had answers from the Government about that. It is not simply a question of gathering the data. The NHS is a wonderful sponge, soaking up data. The critical thing is wringing it out and employing data to improve services. Epilepsy is a condition that has not been concentrated on, and therefore there is no emphasis on garnering data.

We must be careful about generic substitution of epilepsy drugs. I know that many sufferers agree with that. Another point is that genericisation of a market in medicines leads to changes in the economic incentives for research and development companies to produce them. There clearly are not incentives for companies to produce new epilepsy drugs. That is inevitable because of the large number of epilepsy medicines, many of which are effective, and many of which have been genericised.

Part of the answer in fixing markets that are not working has to be Government intervention to try to improve incentives. The previous Government were making effective inroads through the innovation fund and the innovation pass that they were negotiating with the pharmaceutical and biotechnology industries, which would have encouraged and incentivised further R and D into more recondite diseases and the production of medicines where there is not an immediate economic incentive.

I was therefore discouraged to hear that the innovation pass is being abandoned by the Government—it will not be taken forward. I would like to hear some reassurance from the Minister that he is aware of the issue and

interested in looking at how he can work with the pharmaceutical industry to incentivise further R and D into those areas where this country does not perform well. Epilepsy is one of them. We have a higher incidence of unnecessary death from epilepsy, and, bluntly, we do not prescribe terribly well for it. It is an area where we could produce more and take advantage of the great skills in the pharmaceutical industry, and where the Government could have a positive impact.

10.19 am

Priti Patel (Witham) (Con): I pay tribute to my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) for securing this debate, and for his tremendous personal account of the condition of epilepsy, and how it has impacted on his life and his journey to Westminster and becoming a Member. I thank my hon. Friend the Member for South Thanet (Laura Sandys) for being frank and for providing powerful insights into the work and role of general practitioners in her constituency. Clearly, they are making a difference.

My contribution to this debate is about the structure of the NHS, especially in the light of the fact that significant and welcome Government reforms are coming soon. In Witham, the number of administrators and bureaucrats in the local primary care trust—Mid Essex PCT—has increased fourfold in the past 10 years. In this debate, we are talking about general practitioners, commissioning, the postcode lottery in terms of services, nurses, access to care, real care provision on site and the ability to deal with epilepsy. I am sure that the Minister agrees that epilepsy services could be served so much better by getting rid of a lot of the waste and bureaucracy. This is an opportunity to redirect the resources to ensure that epilepsy is given the right kind of local care provision and to ensure that GPs who are commissioning services are dedicated the right kind of resources and professional expertise that are so desperately needed out there.

One of my constituents is here listening to the debate. It is self-evident, from looking at my local PCT, that provision is hit and miss. It comes back to data, which we have heard a great deal about this morning. There is not enough data out there. I struggle with that notion when I hear locally about the bureaucracy in my PCT, which has been so vast that one wonders what it has been doing to secure data in the past decade. I plead with the Minister to ensure that all the resources out there are redirected to the right purposes to serve local epilepsy sufferers in the right way.

My hon. Friend the Member for South Thanet mentioned stigma, but I should like to talk about quality of life and referrals to specialists. I have heard from my constituent who is here this morning about how epilepsy can prevent people from getting back into work. In respect of anybody who is up and able and wants to be an active citizen and contribute to their local economy, or even make a difference in some service, it seems self-evident that we desperately need local services and agencies working together to break down the barriers of stigma; to work constructively to enhance the quality of life of epilepsy sufferers; and to be more accommodating and understanding of the needs of people going into the workplace, without being patronising, enabling them and supporting them perhaps even to develop careers in the field or profession in which they choose to work.

The Government have an opportunity to consider generic substitution in the round, without coming to any rash conclusions. We are talking about savings, in this era of the comprehensive spending review, but this is about understanding that epilepsy is a subjective condition that affects individuals differently, not about a one-size-fits-all approach in respect of the drugs and prescribing regimes. This is a plea to the Minister to ensure that the right decision is made on behalf of sufferers.

10.23 am

Mr David Amess (Southend West) (Con): It is always compelling when colleagues speak from personal experience. That has certainly been the case today. I congratulate my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) on the way in which he introduced the debate. Indeed, his speech was so comprehensive that he has left little for other hon. Members to say. But being a Member of Parliament I will try to find something to add to this debate. I congratulate my hon. Friend on sharing his experience with us this morning. I am certain that he is still reflecting on what the history of this country would have been like if he had been elected as MP for Twickenham.

Colleagues have spoken about their personal experiences, so perhaps I could share some of mine. A number of my family members have suffered with epilepsy, although I will not name any of them because they do not want to be the subject of any intrusion whatsoever. All I will say is that it is scary when people are not prepared for what happens when someone has a fit. When a baby suddenly stops breathing it is stressful for parents who have not been warned about such a situation.

My hon. Friend mentioned people suffering from epilepsy perhaps being thought to have had a bit too much to drink. I am ashamed to say that I am guilty of having made that misdiagnosis myself and coming to the wrong conclusion. I am glad that he mentioned that.

The Minister and I were colleagues on the Health Committee. Throughout that time it occurred to me that, although it would have been a new contribution to the debate, we never had an inquiry into epilepsy. Now that my right hon. Friend the Member for Charnwood (Mr Dorrell) is chairman of that Committee, perhaps the Minister might like to consider that matter, together with my hon. Friend the Member for South Thanet (Laura Sandys), who is chair of the all-party group on epilepsy. That would be a good subject for a Health Committee inquiry.

Sudden unexpected death in epilepsy accounts for more than half of all epilepsy-related deaths in the United Kingdom. We know that with a clear understanding of epilepsy and good management of seizures, the risk can be minimised, as hon. Members have already said. The National Institute for Health and Clinical Excellence guidelines recommend that information about the problem should be provided to patients following a diagnosis of epilepsy. There is clear evidence that that does not appear to be happening. Perhaps all colleagues would be diligent about this situation and inquire about what exactly is happening. People who are diagnosed with diabetes or heart problems, for example, are made aware

[Mr David Amess]

of the risk of death if their condition is not well managed. Epilepsy should be in that category and dealt with in the same way.

There is no national monitoring of epilepsy deaths. However, the Coroners and Justice Act 2009 highlighted epilepsy as one area in which standards could be developed. There continues to be an urgent need for research into the cause and prevention of the problem. Eight years on from the national sentinel audit that established the level of avoidable deaths, our understanding of sudden death in epilepsy is greater, but we still need to reduce the number of such deaths, as my hon. Friend the hon. Member for Blackpool North and Cleveleys said. We need more research into this neglected medical syndrome.

The White Paper reforms may offer a significant opportunity for some of the more neglected conditions in health care. It has been acknowledged that national targets, which I have deplored, ignored some conditions. Now the White Paper promises a relaxation in the use of targets and puts patient safety at the heart of the NHS.

In conclusion, if primary care practitioners are to be responsible for commissioning epilepsy services, they will need to be well informed on these issues, as my hon. Friend has made clear. They will need to move beyond the dreadful tick-box exercise for epilepsy in the GP contract and look seriously at the potential for achieving more positive outcomes for patients and a more cost-effective health service.

I ask the Minister to bring these issues to the forefront as we build on our excellent national health service.

10.29 am

Liz Kendall (Leicester West) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter. I congratulate the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on securing the debate. I particularly thank him and the hon. Member for South Thanet (Laura Sandys) for their brave, personal speeches, delivered with a frankness and honesty that is not always the hallmark of politics or politicians. Just by speaking about their conditions, they will have given strength and courage to thousands of people with epilepsy throughout the country. I am grateful to them for that.

Hon. Members have powerfully set out the scale of the problem and highlighted three key issues. The first is misdiagnosis: around 150,000 people are wrongly diagnosed with epilepsy or are diagnosed with the wrong sort of epilepsy. The second is poor quality treatment: patients may not see a specialist quickly enough and, because of the problems of misdiagnosis, thousands of patients take powerful drugs that are unnecessary or do not work effectively, and they must make repeated visits to their GP or go into hospital. Thirdly, because of poor diagnosis and treatment, there are unacceptably poor outcomes for individuals with epilepsy and for society as a whole. Only half of those with epilepsy live seizure-free, when the estimate is that 70% could do so. Of the almost 1,000 deaths from epilepsy every year, approximately 400 are avoidable—that is at least one unnecessary death from epilepsy every day of the year.

The estimated financial cost of that poor-quality care includes more than £20 million a year spent on incorrect drugs, and rises to more than £130 million if unnecessary GP appointments and hospital admissions are taken into account. That does not include the far greater costs to individuals and society as a whole for the thousands of people with epilepsy who cannot play a full role in their families, at work or in the community because they do not receive the care and support they need.

Following the efforts of patients and voluntary groups, many of whom are here today, understanding of epilepsy has increased in recent years. Last year, the all-party group on epilepsy met the then Health Minister, Ann Keen, for discussions, including on the findings from Epilepsy Action's 2009 report, "Epilepsy in England: time for change" that NICE's 2004 guidelines on epilepsy treatment are not being properly implemented in an estimated 90% of PCTs.

At a one-day conference for NHS commissioners in January, the then Minister spoke specifically about how to improve epilepsy services. She met specialist epilepsy nurses at the National Society for Epilepsy, and wrote to strategic health authorities asking them to consider how to improve services, including by increasing the number of specialist nurses. I understand that she intended to ask the Care Quality Commission to undertake a review of epilepsy services in the NHS. My first question to the Minister here today is: what plans do his Government have to increase the number of specialist epilepsy nurses and will they ask the commission to conduct that review into epilepsy services? My experience is that the commission's reviews can make a real difference in raising awareness of such issues.

The key question today is whether the Government's plans for the NHS will make the improvements that epilepsy patients desperately need. The key concern that we have heard about today is the future of commissioning. Clearly, PCTs have struggled to deliver high-quality care for patients with epilepsy, as they have with many less common conditions. That is and always has been a real problem in the NHS. How can the highest possible standards of care for less common conditions be delivered in every part of the country? If there have been difficulties in ensuring sufficient knowledge and expertise in 150 PCTs, that challenge will be even greater in the 500 commissioning consortiums that the Government want to establish.

The key issue that has been raised today is whether GPs have the necessary skills, awareness and interest in epilepsy services. Some do, and there are some good, expert GPs, such as those to whom the hon. Member for South Thanet referred, but many do not have the same skills and experience, and that is of great concern to patients with epilepsy. The expertise that does exist in PCTs is in grave danger of being lost. Many PCT staff who have been involved in commissioning are, understandably, looking for other jobs outside commissioning or outside the NHS. Will the Minister explain how he will ensure that GPs have the necessary skills and experience to identify and then correctly to refer patients to specialists? How will he ensure that GP commissioning consortiums have the necessary skills and expertise to commission high-quality epilepsy services?

My hon. Friend the Member for Scunthorpe (Nic Dakin) raised an important question. How will the Minister ensure that GP commissioning consortiums work with schools, local authorities and other care services? My local authority in Leicester has worked

hard to build up relationships with the PCT, but that has been thrown up in the air and it must now develop relationships with individual GPs. That is a big challenge.

I want to make it clear that GPs must be more effectively involved in shaping NHS services. They are the first port of call for patients and their decisions affect 90% of spending in the NHS. Yet many GPs do not want and do not currently have the skills necessary to take on responsibility for commissioning £80 billion of NHS services. Despite claiming that they will end top-down reorganisation in the NHS, the Government continue to insist that all GPs must take on that role, and within a short time scale, but anyone who has been involved with the Government or the NHS knows that it takes a long time to change things in the NHS. PCTs are spending a huge amount of time trying to persuade GPs to become involved and to ensure that they have the right skills and expertise. Many people are worried, rightly, about whether PCT staff who are about to lose their jobs will want to put in that time and effort and, if they do, whether that time and effort would be better spent on improving patient care.

The financial costs of the Government's reforms are also significant. They have said that they will protect NHS funding in the comprehensive spending review, but the ageing population, increases in long-term conditions, and ever more expensive drugs mean that the NHS is still facing what the King's Fund and the NHS Confederation have called the biggest financial challenge of its life. Its overall budget may be protected, but it must make savings of £15 billion to £20 billion, and it has never before achieved that. Despite the Government's claims that management will be cut by 45%, the King's Fund estimates that the Government's reorganisation will cost £3 billion. Will the Minister explain why his Government believe that yet another major, structural reorganisation is the best use of time and resources in the NHS, particularly in such financially challenging times?

Ultimately, what matters to patients and the public is that they get the best health care and the best value for money. The Government have said that outcomes in the NHS will be set out in the new NHS outcomes framework, and that the new national NHS commissioning board will be held to account for delivering those outcomes. The board will also take direct responsibility for commissioning some specialist services that used to be commissioned at regional level. The board will have a budget of more than £100 billion a year, but it is unclear how it will be held to account by Ministers or Parliament, who are responsible to the public for improving the NHS.

My final questions are as follows. Will the NHS outcomes framework include outcomes for epilepsy? Will the NHS commissioning board commission specialist epilepsy services, and will it draw on the expertise that was developed at regional level to do so? Will the Minister explain how the Government will ensure that the commissioning board has the necessary expertise on epilepsy services? Will patients be involved in determining outcomes and the commissioning board's work? How will Ministers and Parliament hold the board to account? For example, if the board fails to include outcomes for services such as epilepsy, will the Government or Parliament be able to require the board to take action, or to remove individual members or the board as a whole?

Our debate today on epilepsy services will be mirrored in relation to a huge number of other conditions. People want to know how their condition will be improved by the planned changes. I am privileged that my first debate as a shadow Health Minister has been on this important subject, and I thank all hon. Members and the patients and patient groups who have come here today.

10.39 am

The Minister of State, Department of Health (Paul Burstow): I start by congratulating the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on securing this debate and on the remarkable way in which he outlined a compelling personal case and posed some important challenges for the Government.

Before I respond to the hon. Gentleman's points and to contributions made by other hon. Members, I would like to correct an error that I made in a debate on diabetes on 15 September. During that debate, I mistakenly stated that the Juvenile Diabetes Research Foundation supports the NHS White Paper. In fact, it has not taken a position either way, and I am happy to correct the record on that point at the earliest opportunity.

In introducing the debate, the hon. Gentleman gave a powerful account of why we must do better for the 450,000 people with epilepsy in the UK. He painted a compelling picture of the fear that the condition provokes and the fear of the aftermath—the "thief in the night", as he put it. Many hon. Members have made powerful testimonies in this debate, and that is to be commended.

I also congratulate the hon. Gentleman on his recent appointment as vice-chair of the all-party group on muscular dystrophy and as vice-president of Epilepsy Action, an organisation that does excellent work to support and advise people with epilepsy. He asked me if I will meet him and other colleagues from the sector, and I would be happy to do that, together with his colleague, the hon. Member for South Thanet (Laura Sandys), who is chair of the all-party group on epilepsy. I hope that we can have further discussions about that.

I also welcome the hon. Member for Leicester West (Liz Kendall) to her new role. I understand that, in a previous incarnation, she worked as a special adviser to a former Secretary of State. I look forward to our exchanges in Westminster Hall and the main Chamber over the years to come. I hope that she will find the role as enjoyable and fulfilling as I do.

The debate has highlighted the many failings of the current arrangements for the design and delivery of epilepsy services. Those failings have been clearly articulated by many people, and in particular, the issue of stigma was raised by the hon. Members for Scunthorpe (Nic Dakin) and for South Thanet. I undertake to take that issue back to the Minister of State, Department for Education, my hon. Friend the Member for Brent Central (Sarah Teather), who is to meet colleagues in the sector soon, so that we can look at how to tackle that problem. It is not a matter solely for the Department of Health, but rather a wider societal issue and a challenge for the Government. We will discuss and look further at how to ensure clarity and proportionality in the regulatory burden.

Hon. Members have referred to the various statistics that make up part of the picture: 69,000 people are living with unnecessary seizures, and 74,000 people

[Paul Burstow]

are taking drugs that they do not need. Nearly £200 million is needlessly spent each year on hospital admissions linked to poorly managed epilepsy. The 400 avoidable deaths per year—a tragic number—are largely the result of poorly controlled epilepsy.

The previous Government produced a string of policy documents designed to improve services and support patients with neurological conditions. The national service framework for long-term neurological conditions, and the NICE clinical guidelines on epilepsy, are both strong statements that the Government support. Plenty of sensible work has been done to improve support for people with all kinds of long-term conditions, such as setting out the need to have a more patient-centred approach to their care. The problem, which has been made clear in today's debate, is that the words in those statements have often not been translated into practice. The failing is not of our shared intent, but of implementation. The previous Government's top-down approach created a culture where only what gets measured gets done. That distorts priorities and, as the debate has demonstrated, leaves gaping holes in provision and lets people down in the ways that have been described.

The solution is not to publish more strategies or add more to the list of things that the NHS has to measure and account for. Instead, we should change the system entirely and record and value what really matters. That is what our proposed NHS reforms are about, and I welcome the opportunity to outline how those reforms will have an impact on epilepsy. We want to strip out unnecessary targets and bureaucracy and replace them with a system that recognises and rewards quality and overall patient outcomes.

We have already held a consultation on the new outcomes framework. I am pleased that a number of neurological organisations contributed to that process, including the Joint Epilepsy Council and Epilepsy Action. The framework will drive a better approach to service design and performance management across the NHS, including on issues of speed and accuracy of diagnosis. It will be the engine of change, giving us clear and coherent structures of accountability to drive radical improvements in standards from the bottom up, not the top down. My hon. Friend the Member for Southport (Dr Pugh) spoke about accountability, and I will say more on that later.

I am determined that specific issues to do with neurological conditions, and epilepsy in particular, should be appropriately reflected in the composition of the outcomes framework, and I will make that point to the NHS medical director, Bruce Keogh. I encourage other hon. Members who are concerned about this matter to ensure that they also make such representations. I undertake to look at precisely what contribution the Care Quality Commission can make; clearly there are potentially many thematic reviews that it could undertake—far more than it could carry out in any one year. It is a powerful tool for levering-up quality.

In his opening remarks, the hon. Member for Blackpool North and Cleveleys mentioned transition care. There must be significant improvement in that, because the transition from care in childhood to adult care is currently not good enough. We must ensure that we pick up and learn from the work carried out by the national director for children's services, who has published guidance on improving the transition between child and adult services to ensure that everything possible is done to maintain people's health and well-being. The subject of transition comes up more often that anything else, and we must ensure that we have a better, clearer focus on the transition between children's services and adult services, and between primary and secondary care.

Mr Sam Gyimah (East Surrey) (Con): The National Centre for Young People with Epilepsy is in my constituency and it is interesting to hear the Minister mention transition care. Would he be open to considering a clinical standard for paediatric epilepsy?

Paul Burstow: The Government proposals include a national quality board that will be responsible for considering potential areas for quality standards, and NICE will take that work forward. There is already a number of standards in the national service framework, but I will certainly give further thought to the hon. Gentleman's point.

A number of hon. Members have mentioned information, and the Government want to give patients and the public all the information that they need to make informed choices and hold the NHS to account. We will shortly be launching a new information strategy to improve radically the range and quality of information available to patients, professionals and the public, so that there is increased transparency and strengthened accountability in the system.

Teresa Pearce (Erith and Thamesmead) (Lab): The Minister mentioned information for patients, but one area of concern that has not been mentioned today is that involving women of child-bearing age. Currently, such women are meant to be counselled by their GPs, but sometimes that counselling is patchy or non-existent. One successful drug creates a significant increase in baby malformations, so a woman who finds herself pregnant must decide whether to carry on taking the drug with a risk to the baby, or stop taking the drug with a risk to herself. The risk of maternal death is almost 10 times higher for women with epilepsy. What can be done to make GPs take seriously the role they have when women are facing that terrible decision?

Paul Burstow: I am grateful to the hon. Lady for raising that point. In the proposed quality and outcomes framework for 2011-12, NICE has recommended a new indicator to encourage more GPs to talk to women with epilepsy about the drug risk during pregnancy. I hope that that will focus on the point that the hon. Lady has rightly raised.

Patients should be able to check up on local services right down to the performance of individual consultant teams, so that they can, if necessary, vote with their feet. That not only gives patients more control, but it exerts pressure on different parts of the NHS to make continuous improvements. On a professional level, it is important to ensure that there is better recording and sharing of information about services.

My hon. Friend the Member for Southport and the hon. Member for Pontypridd (Owen Smith) talked about the lack of information about neurological services at local level. I can tell them that the Department has

developed a reference data set for local commissioners to use. That will give them a standard set of information to request from local providers about the different stages of care for someone with a neurological condition. Reference has been made to a dearth of data. I can tell hon. Members that there are data relating to the primary reasons for hospital admissions, readmission rates, average lengths of stay, out-patients, first to review rates and programme spend for neurology through the payment by result rates. All that information is on NHS Comparators, which is part of the NHS website. It is an online tool that presents all that information in a way that is accessible not just to professionals, but to the third sector. One of the challenges that I pose to hon. Members and to organisations with an interest in this field is to make more use of NHS Comparators, because it is a valuable tool for challenging commissioners and holding them to account and for ensuring that there is competitive localism—a real sense of comparing one area to another to ensure that we drive up standards and learn from the best.

Priti Patel: We have heard in the debate that epilepsy is a very subjective condition—it affects people in many different ways. We have also heard about the data challenges, and the Minister has kindly given us some insight into what comparators are out there. The fact is, though, that if someone is a sufferer, is on their own and is in desperate need of care and access to information, hearing about data comparisons is not necessarily of practical help. What practical measures exist for sufferers and for organisations that can give genuine support and guidance to epilepsy sufferers?

Paul Burstow: The hon. Lady makes a very important point. I was talking about using the data to improve standards, but we also need to ensure that, through NHS information prescriptions, we provide better and more timely information to people. Further work is also necessary in that area.

A message that comes through strongly is that commissioning is key to better epilepsy care. We believe that placing decision making much closer to the patient through general practice consortiums will unlock new opportunities and lead to more sensitive and responsive decision making about care and treatment pathways. Some patient groups and some hon. Members in this debate have expressed concern about the experience and knowledge of GP commissioners in designing epilepsy services. Let me say a little more about that.

The NHS commissioning board will have a vital role to play in supporting consortiums. It will set commissioning guidelines based on clinically approved standards developed by the National Institute for Health and Clinical Excellence. In addition, the long-term conditions delivery support team will work closely with new directors of commissioning, their commissioning boards and GP consortiums to build skills and awareness. For example, the team has already developed a new commissioning pack, bringing together information that commissioners will need to design good epilepsy services.

My hon. Friend the Member for Southport has asked me, within about four days of the close of consultation on the White Paper, to describe in full and complete detail every aspect of the new accountability regime for the new system. I will not do that in the debate today, because that would not do justice to the 5,000 respondents to the consultation. The Department is in the process of properly considering the responses to the consultation and we shall give a considered and proper response. What we have done so far is set out clearly the direction of travel and reform. I think that my hon. Friend has conflated two or three things in his test of accountability: professional accountability, accountability to the public and accountability to other organisations. We will make clear, when we set out the next steps to the reforms that we have proposed in the White Paper, precisely how each part of the accountability conundrum that he posed is properly addressed.

Dr Pugh: I thank the Minister for that response. He has spoken about frameworks and about commissioning standards. I hope that he will go on to speak about what happens when the frameworks are not in application and when the commissioning standards are not observed, for whatever reason. The only thing that I have heard him say so far is, "We're going to have a competitive local environment. People can vote with their feet." That is an awfully London-centric view, because in many areas of the country, that is not a realistic option.

Paul Burstow: I think that my hon. Friend perhaps needs to reflect a little further on the White Paper proposals and what I have said in the debate, because what we are actually talking about is not competition in terms of people always choosing to go somewhere else, but in terms of the ability to see what somewhere else looks like and make a comparison and to ask commissioners locally why they are not commissioning to the same standard. It is as much about that as about being able to move around the country, and certainly that is what we are determined to deliver.

Mr Gyimah: Will the Minister give way?

Paul Burstow: Only one more time, because I want to ensure that I have done full justice to the debate.

Mr Gyimah: I thank the Minister for his comments on commissioning. In that context, I understand that there will be 150 clinical standards against which commissioning will be judged. It would be helpful for people who suffer from epilepsy to know what weighting and priority will be given to those clinical standards as GPs deal with commissioning.

Paul Burstow: The 150 quality standards that NICE will be responsible for producing will make up a key document that the NHS commissioning board will use to draw up the clinical standards that it will use to drive commissioning activity and hold GP consortiums to account for delivery. They will be rewarded against the outcomes that they achieve. That is an important part of the accountability mechanisms that will be in place.

Hon. Members on both sides of the Chamber talked about the need for early diagnosis and correct diagnosis. Where epilepsy is suspected or where there are issues about the management of the condition, patients should be swiftly referred to specialists to confirm the diagnosis and agree treatment options. I am very sympathetic to the calls made today for more specialists and good access to appropriate diagnostic equipment.

[Paul Burstow]

A number of hon. Members rightly mentioned specialist epilepsy nurses, who are particularly vital to providing patients with a stable presence in their treatment and ongoing care. I pay tribute to their work in supporting and advising patients and helping them to manage their condition effectively. However, it is not for me, as a Minister, to make decisions on how local NHS organisations spend their money. I hope that I have satisfied my hon. Friend the Member for Southport, who thought that I might say that. Centralised, top-down management is the problem, not the solution. The new system is quite clear. GP consortiums and NHS trusts will have outcomes to meet for their patients. They must consider, in the light of their own circumstances, whether recruiting more specialist staff or investing in new equipment is the best way to achieve those outcomes.

However, on the question of research and whether we need to test whether the evidence is robust, the evidence is clear, and it is clear in the guidance from NICE itself, that specialist nurses are important for helping people living with epilepsy. The guidance is clear and should be taken into account by those commissioning services. The long-term conditions delivery support team has developed a guide to help commissioners to make the strong business case for the very important investment in specialist epilepsy nurses.

I want to say something about innovation and efficiency, because that is not just about how many consultants and nurses are in a hospital; it is also about how well they are used to support people in the community. The best neurology departments are adapting, evolving and improving their working practices to meet their populations' needs in the context of financial constraints and the need to increase productivity. There is a particular role for neuroscience networks in bringing specialist teams together with general practice and wider sources of support. A lot of work is under way in relation to, for example, the QIPP—quality, innovation, productivity and prevention—programme, whereby teams of clinicians are working together to promote innovation and drive out inefficiencies.

I shall give a couple of examples of where things are changing on the ground. In Dorset, there is a county-wide service whereby a consultant neurologist and specialist epilepsy nurses work with GPs and community teams across the region to give better support. In east Kent, networks of GPs with a special interest are joining forces with specialist nurses and local neurology services to deliver community-based epilepsy care. Those are highly effective models and they are the type of models that should be followed in the rest of the country; I certainly question why they are not.

Generic substitution was raised by the hon. Member for Witham (Priti Patel), the hon. Member for Pontypridd and others. As has been said, that is subject to consultation at the moment and I cannot pre-announce the conclusions, but I certainly share the concerns about consistency of supply that the hon. Member for Blackpool North and Cleveleys expressed.

Appointing a national clinical director is certainly something that we need to consider, particularly in the context of the implications of the reforms that the White Paper proposed, and we will consider that carefully.

Our proposals for the NHS will create the building blocks for real and positive change: a new transparency and consistency of purpose, built around an outcomes framework; a more responsive approach to commissioning led by GPs and local government; and much greater influence for patients through better information and choice and control over their care. I look forward to discussing these matters further with hon. Members through the all-party group and with the various organisations that represent the interests of people with epilepsy. I also look forward to taking the White Paper proposals forward, because I genuinely believe that they will transform services from the bottom up, making a real difference to the quality of life of people with epilepsy.

Human Trafficking

11 am

Emma Reynolds (Wolverhampton North East) (Lab): I applied for this debate as a Back Bencher, but I have since been promoted to the Front Bench. In these unusual circumstances, I will be brief to let Back-Bench colleagues have time to debate the issue properly. However, I want to set out why I called for the debate in the first place, even if I cannot do justice to my original speech.

In opening the debate, I want to applaud in particular the work of Members on both sides of House in championing the fight against human trafficking. Members from each of the main three political parties have deep concerns about that modern form of slavery and have kept the pressure on successive Governments to tackle this egregious human right abuse. Today is an opportunity to continue to do that. In particular, we should recognise the tireless work of the all-party group on human trafficking, as well as the inquiries and reports in the previous Parliament of the Joint Committee on Human Rights and the Select Committee on Home Affairs.

Over 200 years ago, the slave trade was abolished, but another form of slavery has taken its place, one which is more clandestine, underground and hidden, but which is still insidious and brutal. It is one of the most virulent crimes in today's society, one of the most prevalent forms of violence against women and a grave human rights abuse. There are thousands of vulnerable people, mostly women and children, being trafficked into and within our country. They are suffering at the hands of criminal gangs and pimps and enslaved by their keepers; they are abused, raped, violently and sexually exploited, and forced into prostitution, slave labour and domestic servitude. With our country's pitiful rate of conviction for trafficking, all too often such gangs and pimps enjoy impunity. There is still not enough being done to help and to protect the victims of trafficking and to prevent them from becoming victims in the first place.

The victims of trafficking are diverse. Some come from beyond the European Union and some from neighbouring countries at the eastern border of the EU, such as Moldova and Ukraine. Others come from countries further away, such as Nigeria and China. Victims also come from EU countries, and it is often overlooked that women and children are being trafficked within our country. There are indications that the Olympics will increase the demand for prostitution in particular, and, as a result, there will be human trafficking into London from other parts of the United Kingdom and beyond our borders.

Some victims of human trafficking are kidnapped from their families and some are sold by relatives. Tragically, some come of their own accord having been deceived into thinking that they are being helped into the UK on the promise of a better life, only to find when they get here that they are literally imprisoned, kept like slaves and forced into prostitution or forced labour. They are traded by criminal gangs or pimps who treat them like second-hand cars—the more profit, the better for their keepers. Each sex trafficker is estimated to earn, on average, £500 to £1,000 per woman per week. According to their evil and depraved view of the world, the younger the girl, the better, as their value decreases the older they get. Of the 8,000 women who work in off-street prostitution in London, it is estimated that 80% are foreign nationals and many are forced into prostitution while they are still children.

Wherever the victims of trafficking come from—whether within our country or beyond—they have one thing in common: they suffer the worst human rights abuses at the hands of their captors, keepers and pimps, and each have an unequivocal, equal and universal right to be helped and protected. I urge the Government not to be complacent in tackling this egregious human rights abuse. I am confident that colleagues will be more specific about what needs to be done and I look forward to listening to the debate. I hope to do all that I can to contribute to finding a solution to this problem in my new position on the Opposition Front Bench.

11.4 am

Mr Peter Bone (Wellingborough) (Con): It is a great pleasure to serve under your chairmanship, Mr Streeter. I start by congratulating the hon. Member for Wolverhampton North East (Emma Reynolds) on leading this debate. Unfortunately she has almost had her hands tied; she was allowed to speak for only a short time because she has just been appointed to the shadow Cabinet. I congratulate her on that. It will be a loss to the Back Benches, but may I say in all honesty that I wish her very very many years—and I mean very very many—in the shadow Cabinet? I would also like to welcome the Minister for Immigration, because in him we have a Member of Parliament renowned for his care and humanity, and his understanding of the issue. I say that not only because it is true, but because I want him to do things. I notice that in the Chamber today Members from all parties are present, which is a sign that this is a cross-party concern.

At the outset I want to pay tribute to my predecessor, Anthony Steen, formerly MP for Totnes. As the first chairman of the all-party group against trafficking of women and children, he pioneered an approach to human trafficking, which I, as the new chairman, am happy to follow. Quite simply, he put human trafficking or modern day slavery on the parliamentary map. I pay tribute to him and to his current work to establish the human trafficking foundation, together with Clare Short and my co-chairman of the all-party group, Baroness Elizabeth Butler-Sloss.

At the end of their 13-year term, the previous Administration could be given only a B for their work on human trafficking. The acid test has to be, were there more apprehensions of traffickers year-by-year? The answer is no. Were the police filing more charges and did more convictions take place? The answer, sadly, is no. Instead, the number of victims rose and rose. However, the previous Government did take two major initiatives, which were welcome. The two operations to deal with trafficking were Pentameter 1 and 2, and they involved every police force in the land. They did not just raid brothels, massage parlours and saunas, but went into private homes—wherever they thought there were traffickers. New initiatives such as those are urgently needed, and the House would like to know what plans the Government have. The Minister may not be able to say too much about that today and may be holding back for anti- slavery day next Monday, but we would like to know if new announcements and initiatives are on the way.

[Mr Peter Bone]

New initiatives are needed because a number of operations are being disbanded, such as the UK Human Trafficking Centre, a £2 million initiative in Sheffield that was absorbed by the Serious Organised Crime Agency. In itself, that might not have been a problem but now SOCA is also being wound down. We need a Pentameter 3, so that traffickers realise that we are on their case and that this Government will be tougher than the previous one. Is that planned?

We all know that it takes several years for new projects to be effective. What will happen to human trafficking during the apparent lull in the prosecution and harassment of traffickers? It took the previous Administration two years to implement the Council of Europe convention on action against human trafficking after they signed it, and it has never been fully implemented. Operation Golf at the Met has been a remarkable and successful operation. Superintendent Bernie Gravett and Chief Inspector Colin Carswell deserve the gratitude of the whole House for their single-mindedness in tackling child trafficking.

The traffickers will be breathing a sigh of relief that the superintendent's team will be disbanded shortly, just as the human trafficking unit in the Met was disbanded nine months ago. Therefore, although the previous Administration pressed the right buttons, the reality is now coming home to roost: by the beginning of next year there will be precious few specific operational units in the UK specifically tackling human trafficking. Here is a great opportunity for the coalition Government to make some real changes and improvements to tackle this appalling crime, which should have disappeared when slavery was abolished 200 years ago, but is flourishing worldwide.

What is needed is a more robust Crown Prosecution Service that does not make deals with defence counsels on behalf of traffickers. We secure too few convictions, and those that we do secure are the result of plea bargaining, resulting in a lesser crime being admitted and a lesser sentence being given by Crown court judges, many of whom need better training about the nature and extent of human trafficking.

Our track record on dealing with foreign children, particularly from the far east, is lamentable. We need to ensure that the hundreds of children who are discovered here each year, and who are acknowledged as trafficked by the national referral mechanism, are treated more compassionately. Such children should have a guardian, and I am told by a legal friend that we need a guardian ad litem, which, as I understand it, means someone who will act as their parent and look after them, particularly in the court situation. These children are both victims and witnesses, and it is wrong to expect them to go through the system without help when we would not necessarily expect an adult to do so. The European convention on action against trafficking in human beings proposes such a guardian and so, too, does the new European directive.

Let me briefly say something about the directive. At the last Prime Minister's questions, there was a lot of argument between the Prime Minister and the now deputy leader of the Labour party, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), over whether we should opt into the European directive. As someone with some reservations about the European Union, I do not really think that it is necessary to opt in, but we do need to do everything—and more—to help children, and the Prime Minister is more than open to suggestions that will help us to achieve that.

Sadly, domestic slavery exists in Britain and is another concern. Some foreign embassies and their officials, who have diplomatic immunity, are, sadly, the worst abusers, and that should worry us all. Currently, the visa for someone who comes here to work for a diplomat is very restrictive, and they can work only for the embassy. They really should come in on a normal domestic visa, which would allow them to go somewhere else if they were being abused.

The issue was well illustrated in the exhibition that the now Prime Minister visited in the Committee corridor last March. The event was sponsored by the all-party group, in conjunction with the Bromley Trust and the Tudor Trust. I pay special tribute to the work of Kalayaan in Notting Hill Gate, which supports victims and campaigns for the merger of diplomatic and ordinary domestic visas, 16,000 of which are issued each year. Such a step would allow diplomatic workers the same freedom as domestic workers with annual domestic visas.

Let me say a word about sex trafficking. We are fortunate in London to have the POPPY project, which, linked with Eaves housing, offers more than 50 units of accommodation to trafficked women. However, POPPY offers more than just accommodation; it offers social, psychological and medical support. Many girls have been viciously treated for many years and need not just a bed, but friends they can trust. That is what POPPY offers, and it does a professional, top-class job.

Although POPPY is technically allowed to accommodate women only for a 42-day period of reflection while they contemplate their future and whether they can assist the authorities, many women need a much longer period of sanctuary. In that respect, the current situation is absurd, although I do not have time to go into it today. Adults who are trafficked into this country are looked after better than children, because while adults will go into something such as the POPPY project, children will be lost in the local authority system—many of them will disappear and be re-trafficked.

POPPY not only provides a lifeline for 42 days, but forms many women's futures, and it has developed its experience and knowledge over the past decade. There is no one quite in POPPY's league. Other shelter projects around the country—in Bristol, Sheffield and Dover—do valuable work, but they are small, have few facilities and, sadly, no Government funding. Trafficking covers the country—not just the south-east and the cities. Caring for victims initially is important, but what happens to them afterwards? Who helps them? Who integrates them back into society? How many return to their home country and at what risk to them and their families? What is the number of deportations?

Human trafficking is the fastest growing business in the world. With increasing demand, the speed of growth is terrifying. Today, 27 million people worldwide are in slavery, with 300,000 in Haiti alone. Trafficking is the fastest growing illegal industry and, according to the United Nations, nets more than $32 billion a year—that would almost help us to overcome our deficit. Hon. Members should just think about that: criminal gangs

make $32 billion out of trafficking. The punchline is that the growth of human trafficking is fuelled by the ease of access, anonymity and secrecy provided by the internet, and that is why we do not see trafficking in our daily lives. That is the difference between slavery in Wilberforce's time, which was highly visible, and modern slavery, which is underground and hidden..

My request is that our Government should take the lead and, while establishing a national border police force, which is a welcome move, do something specific to help victims of trafficking. There should be more compassion for victims who arrive from all over the world, and that could involve a range of different means. I doubt whether things will change overnight, but I hope that compassion will increase. There are also the victims from EU countries who travel here on legal passports. How, I wonder, will the border police stop those people being trafficked?

For all those reasons, anti-slavery day is very important. On the whole, people are just not aware of modern slavery; they do not realise that it exists around the corner from where they live. They cannot see it, so they do not believe that it exists. What we do know is that the numbers overall are increasing. Sadly, people are recyclable. Unlike arms or drugs, which the criminal gang can trade only once, human beings can be recycled and sold again.

As I said, there is interest across the House in the idea that Britain should lead the way and be known throughout the world for its effective and compassionate approach. In that respect, I am glad to see three Members from Northern Ireland, who represent the political divide there. We must congratulate the Assembly on passing a resolution last week making Northern Ireland

"a hostile place for human traffickers".

That is what we need to do in the rest of the country. If we make the United Kingdom a place traffickers do not want to come to and where they do not believe that they can make money, we will stop trafficking. Congratulations to Northern Ireland on leading the way.

We are tolerating the closure of some of the most innovative initiatives, and I wonder how that squares with the Home Secretary's statement in the House on 22 July, when she said:

"Tackling human trafficking is a coalition priority, and the Government are currently considering how to improve our response to this terrible crime, including through the creation of a border police force." [*Official Report*, 22 July 2010; Vol. 514, c. 552-53.]

Perhaps, on anti-slavery day, and in the spirit of the big society, we could involve and support non-governmental organisations such as ECPAT—End Child Prostitution, Child Pornography and the Trafficking of Children—POPPY, Kalayaan and the Helen Bamber Foundation, which have an enviable record, but which receive little or no Government funding. Those are exactly the organisations that the Prime Minister has in mind when he talks about the big society. The Minister may delight us all on anti-slavery day by announcing some real progress on beginning to tackle the problem of human trafficking with a vengeance.

11.19 am

Ann Coffey (Stockport) (Lab): I welcome you to the Chair, Mr Streeter, and I congratulate my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) both on securing this valuable debate and on her promotion to the Front Bench.

I chair the all-party group on runaway and missing children and adults and I would like to raise some issues on its behalf. The group is very concerned about what happens to vulnerable children and adults when they go missing. Many get hurt in some way. They can fall into drugs and crime or fall prey to abusive adults, and can also get caught up in trafficking and prostitution. Our aim is to try to keep young people as safe as possible.

I want to take this opportunity to highlight and praise the work of the UK Missing Persons Bureau, which is part of the National Policing Improvement Agency. The bureau does some excellent work and is the UK national and international point of contact for all "missing" and "unidentified" cases. It is also the centre for information exchange and expertise on missing children and adults. The bureau has developed substantial knowledge on the issue of missing trafficked children and missing asylum-seeking children and works closely with police forces across the country. It has a valuable database, which stores data on missing people and unidentified bodies. It is an essential tool for the monitoring of missing people as it provides a national picture.

Missing trafficked victims are part of that database. Incidents—particularly repeated incidents—of children going missing are often an indicator of other problems for the child and can be an indicator of trafficking. The nature of trafficking means that children are often moved across force boundaries and therefore may be reported missing in more than one force area. On some occasions the same child may be reported missing to numerous forces under different names. A national database of those incidents is the only way in which links between cases can be identified. Following the reported incidents of potentially trafficked children going missing from local authority care in 2009, there has been understandable concern about and interest in the measures that are being put in place to ensure that those vulnerable children are adequately safeguarded and that steps are taken to prevent them from going missing from care.

I want to draw to hon. Members' attention two major operations that are currently going on to try to tackle the trafficking of children. The first is called Operation Paladin, which is a Metropolitan police-led operation involving immigration officers and social workers. It is based at Heathrow airport and the United Kingdom Border Agency asylum screening unit in Croydon. It also works at the St Pancras Eurostar terminal. The team specialises in identifying and safeguarding vulnerable children who are suspected of being trafficked. It also investigates specific trafficking and migration offences as well as advising other police force child abuse investigation teams on child trafficking issues.

The second operation is Operation Newbridge, under which Sussex police and West Sussex county council drew up an inter-agency protocol for managing potential child trafficking victims taken into social services care. That allows the sharing of information with a view to tracing young people from abroad who have disappeared from care. Since the operation started there has been a significant drop in the number of children suspected of having been trafficked into Gatwick airport and a reduction in the number of such children going missing from local authority care.

[Ann Coffey]

The two operations have two different approaches. Operation Paladin covers investigative and interview support while Newbridge focuses on multi-agency work. The bureau believes that we should now merge the two operations under one new name so that we have a co-ordinated response using both types of operation across the UK as a strong and effective example of inter-agency working to safeguard trafficking victims and prevent further trafficking. That makes perfect sense to me and to the all-party group and I urge the Minister to examine the proposal from the bureau as a way forward. I also urge the Minister to recognise, in any future organisation of police services, the valuable work that the UK Missing Persons Bureau does in a number of areas, and to safeguard that valuable resource.

11.24 am

Fiona Bruce (Congleton) (Con): I congratulate the hon. Member for Wolverhampton North East (Emma Reynolds) on securing this timely and important debate on the trafficking of human beings, and forced prostitution. I can see that it is an issue that she cares about deeply, and I share that with her. We need to recognise the fact that human trafficking, and, by extension, the exploitation of vulnerable women and children through prostitution, happens in the UK, and is something we should continue to fight. I am pleased that the coalition Government have agreed to tackle human trafficking as a priority.

I also want to highlight the fact that the issue could affect any of our constituencies. Early last year, as part of the nationwide Operation Pentameter, which my hon. Friend the Member for Wellingborough (Mr Bone) referred to, and which was aimed at tackling human trafficking and raising awareness of modern-day slavery, the Cheshire police—who oversee my constituency among others—arrested a woman in a constituency near mine who had trafficked human beings for sexual exploitation. That woman had managed brothels and trafficked women, and was also in possession of drugs. She was given a custodial sentence, and rightly so.

We also know that what is happening is bigger than just a couple of cases. According to research published in August for the Association of Chief Police Officers, there are at least 2,600 women in prostitution who have been trafficked into the UK, and at least 9,200 who are considered to be vulnerable, whose situation is more complicated and who might be considered to have been trafficked within the UK, or who are controlled in some other way, such as through drug dependency. Those are large and distressing numbers and they do not include victims of trafficking and forced labour.

As I have said, I am pleased that the coalition is committed to tackling human trafficking as a priority. However, without wanting to go into the reasons for the Government's decision to opt out of the EU directive on human trafficking, I want to ask the Minister to consider a concern that was put to me in a letter, which I am sure many colleagues have received, from a social policy charity that works with non-governmental organisations on the ground to help women exit prostitution. Its concern is that victims of trafficking who have undergone some of the most severe human degradation, often having been raped or forced to take drugs, may still face the trauma of prosecution. That needs to be reviewed.

The "Human Trafficking and Smuggling" legal guidance advises prosecutors who review cases in which a trafficked victim may have committed a criminal offence while in a situation of coercion that, where there is clear evidence that the suspect has a credible defence of duress, the case should be discontinued on evidential grounds. However, there is information to suggest that that approach is not being practised as robustly as it perhaps could be. For example, a prosecutor can take such steps to discontinue a case only if they have information from the police or other sources that the suspect might be a victim of trafficking; and that is relevant only where the criminality is a direct consequence of the trafficking situation.

In another case that has been brought to my attention an unopposed appeal against conviction was brought before the court, and was granted by Mr. Justice Cox on 26 June 2008. That is admittedly some time ago, but the case was brought to me by the POPPY project, which has already been referred to with applause during the debate. On 17 March 2008 the appellant had pleaded guilty at Canterbury Crown court to an offence of using a false identity card with the intention of using it as her own and was sentenced to eight months imprisonment, less 16 days spent on remand. Research by the POPPY project subsequently showed that the woman was the victim of trafficking into England for prostitution. I believe that the case may be one among many, but one is enough to require me, and the Minister, to look into the matter, and find out whether our current processes are sufficiently robust to protect such victims—for indeed they are victims, not offenders, and should be treated as such.

11.29 am

David Simpson (Upper Bann) (DUP): I welcome you to the Chair, Mr Streeter. I congratulate the hon. Member for Wolverhampton North East (Emma Reynolds) on initiating this important debate on human trafficking, which is a particularly brutal form of organised crime.

The hon. Member for Wellingborough (Mr Bone) reminds us that next Monday is anti-slavery day. Mankind has been guilty of many atrocities and crimes down the centuries, but I believe that one of the biggest travesties is slavery. Nothing is more degrading or humiliating for individuals than to have to live such lives. Human trafficking is a modern form of slavery, victims often being forced to work in the illegal sex industry.

As has been mentioned, this obscene trade was recently debated by the Northern Ireland Assembly. One thing that featured in that debate was the fact that, in many areas, people have suspicions about particular dwellings or establishments that they suspect are being used as illegal brothels. They report their suspicions to the authorities, but little action seems to be taken. That is a major concern. All parties in the Northern Ireland Assembly endorsed the proposal that Northern Ireland should be an unwelcome place for traffickers, but we need more than that. Although such matters are passed by our legislative chambers, we need to see action—and a large number of convictions.

Dr William McCrea (South Antrim) (DUP): Over the years countless initiatives have been taken by various Governments, but initiatives of themselves are not sufficient. Surely the courts should allow the sentence to fit the crime. We must have sentencing that will stop this terrible and despicable abuse.

David Simpson: I agree with my hon. Friend the Member for South Antrim (Dr McCrea). He is absolutely right. The judiciary has a lot to answer for. The police continually brought individuals before the Craigavon courts in my constituency, but I remember that one judge was nicknamed Father Christmas because every time those guys were brought before the courts they were let off. The onus is on the legal establishment to convict. I would be interested to know whether other hon. Members find the same situation in their constituencies as I and other Northern Ireland Members do.

This particularly vile trade often involves forced sexual slavery, predominantly of women but also of men—and, indeed, of children—into a nightmare world. There they are treated as commodities to be traded and sold in order to gratify people willing to pay so that they can prey upon them.

Mr Denis MacShane (Rotherham) (Lab): I am grateful to the hon. Gentleman for giving way. When the hon. Member for Wellingborough (Mr Bone) mentioned the Northern Ireland Assembly initiative to make Northern Ireland a trafficking-free zone my heart leapt with joy. However, I wonder what specifically is being done. Is there a new law? Is there a law to prevent demand? Thirty years ago, Ken Livingstone declared London to be a nuclear-free zone; it is true that no nuclear bombs have fallen on London since then. Without being trite, what is the Assembly's legal proposal?

David Simpson: I agree with the hon. Gentleman. Indeed, I have made the same point. Whether the matter is being debated here or in the main Chamber or in any of the regional assemblies, it may get all-party approval but it does not necessarily achieve anything. The Northern Ireland Assembly has taken the first step to bringing the matter to a final conclusion. We need to move quickly.

People are persuaded by these unscrupulous individuals that they will be helped to obtain a better life, but we know that the reality proves to be very different. They are tortured, trapped and treated as little more than pieces of meat. The hon. Member for Wellingborough brought to our attention debates in this Chamber on domestic slavery, which is another travesty, which arises through diplomatic immunity or other loopholes. It is a disgrace and should not be allowed.

As I said earlier, this is a modern form of slavery. It happens on a large scale. The United Kingdom Human Trafficking Centre reports that between April and December 2009, 527 potential victims of trafficking of 61 nationalities were referred to the national referral mechanism. However, that covers only what is known; I fear that it happens on a much larger scale than many imagine.

I am also concerned that good police work does not always lead to successful prosecutions, and I have mentioned the role of the judiciary in that respect. However, I congratulate the police on the successes that have resulted from the recent UK-wide Operation Apsis. We need many more such successes. I emphasise that although we might debate such an horrific way of life, we need to see those people brought before the courts and given the sentence that goes with the crime.

Mr Gary Streeter (in the Chair): Order. I remind the House that wind-ups will begin at 12.10 pm. Four Members seek to catch my eye. First, I call Tom Brake.

11.37 pm

Tom Brake (Carshalton and Wallington) (LD): It is a pleasure, Mr Streeter, to see you in the Chair this morning. I congratulate the hon. Member for Wolverhampton North East (Emma Reynolds) on securing this important debate.

I echo what the hon. Member for Wellingborough (Mr Bone) said about the excellent work done on human trafficking by the now retired Member for Totnes, Sir Anthony Steen. He was, it will be agreed, a colourful figure—he was often frank and occasionally unguarded in his comments—but he deserves to be remembered for his excellent work on raising the profile of the matter and for establishing the Human Trafficking Foundation. I also support what the hon. Gentleman said about the need for better training for officers and others engaged in dealing with the problem, and the need for guardians to support children through the unpleasant and doubtless un-nerving process of going through the courts.

We know that human trafficking is a big problem, but it is fair to say that the scale of it is a little hard to determine. The United Nations estimates that 70,000 new victims arrive in Europe each year and stay a couple of years; that compares with a total population working in the sex industry of something in the order of 140,000. The market as a whole is said to be worth €2.4 billion a year. A substantial amount of money is being spent on this horrific trade—or service, if I can put it that way. The Association of Chief Police Officers estimates that an estimated 30,000 sex workers in the UK have been trafficked into the country, coming principally from China, Thailand and other parts of south-east Asia, and from eastern Europe.

That report was fairly controversial in that it extrapolated from interviews with women who were working in brothels in London a national figure of 2,600 victims of sex trafficking. All one can know for certain is that those women would have been under huge pressure not to confirm the way in which they had arrived in the UK, which makes it difficult to establish how many victims there are other than it is a very large number. What is certain, however, is the number of convictions. Since the Sexual Offences Act 2003 came into force in January 2004, 46 men and women have been convicted and jailed for transporting willing sex workers—I am sure that we could argue about what constitutes a willing sex worker and discuss the economic pressure that they may have been under to come willingly to the UK for such a purpose—and 59 people have been convicted of transporting women who were forced to work in the sex industry. What is also clear is the excellent work that the POPPY project is doing and the number of women that it has been able to help. In the past six and a half years, it has helped and supported around 500 women.

Hon. Members who have local newspapers—as Members of Parliament, we all follow our local newspapers carefully—will be aware that the newspaper group, Newsquest, has been actively trying to ensure that no local papers carry ads publicising such services, and I commend such work.

What makes this issue even harder to resolve is the conflict that exists between trying to establish whether someone has been trafficked here or whether they have come here of their own volition. Hon. Members will be familiar with the research that was published by

[Tom Brake]

Dr. Nick Mai of London Metropolitan university—again, we have to read between the lines of the responses that were given—in which he conducted detailed interviews with 100 migrant sex workers in the UK. He astonishingly states that for the majority of people, working in the industry was a way to avoid the exploitative working conditions that they had experienced in their previous non-sexual jobs. I take that with a pinch of salt because such people are working in an industry that is illegal and on the margins, and their status in the country is uncertain. The suggestion that they come here to work in such an industry because it provides better working conditions than the ones that they might have experienced before requires some scrutiny, but that is what his research apparently found. That makes it harder for authorities such as the UK Border Agency to err on the side of thinking that people have made a conscious choice to come to the UK for this purpose rather than erring on the side of assuming that people have been trafficked, which is what we want. Such an attitude is also adopted in relation to children who are, all too often, treated as criminals rather than people who have fallen foul of trafficking.

Members will be familiar with the concerns expressed by the anti-trafficking monitoring group about trafficked children who have gone into care and subsequently gone missing. The review into 390 cases of suspected trafficked victims handled by the UK authorities gave some quite alarming statistics about how many of those victims subsequently disappeared.

In theory, the national referral mechanism, to which other hon. Members have referred, allows the police and social workers to refer suspected cases to the appropriate authorities, but again there is legitimate concern that the people who are being referred are being treated as part of an immigration issue rather than as a crime issue, or as victims of trafficking who require support. If the police are succeeding in identifying people who are responsible for human trafficking, it is not being followed through in terms of the number of convictions. For example, only five people were convicted of human trafficking for sexual exploitation in the first six months of this year compared with a figure in the low 30s in previous years. Therefore, we are not seeing many successful prosecutions.

Will the Minister give us an update—I know that this is not his brief—on what the Crown Prosecution Service is doing to improve its prosecution policy in relation to these cases, and does he believe that it will be successful?

In conclusion, I will refer to the UK opt out of the EU directive, which was clearly a controversial decision by the coalition. The coalition has been criticised by many campaigning groups for not signing up to the directive, and I must say that I have some sympathy with the concerns that have been expressed. I know that the Government will consider the impact of the directive, and I strongly hope that if they decide that the directive will help to address the issue of human trafficking, they will not be put off adopting it simply because it is prefixed with the word "EU". If the directive is effective at tackling the issue, it is incumbent on us as a Government to support it.

Mr Bone: Will my hon. Friend give way on that point?

Tom Brake: I have one more sentence, so I will not give way. Perhaps the hon. Gentleman will get another opportunity to speak. I just wanted to conclude my remarks by saying that we have an anti-slavery debate on Monday and a debate on the issue on Thursday. Regrettably, it is clear that slavery is alive and well in our society today and it is something that all parties here this morning want to address, and I certainly want to play a role in doing that.

11.47 am

Michael Connarty (Linlithgow and East Falkirk) (Lab): I congratulate my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) on securing this very important debate. There is no doubt that a modern day slavery exists in many forms. I liked most of the speech of the hon. Member for Wellingborough (Mr Bone) but I was rather disappointed by his limited UK-centric views and ambitions. He seems to feel that we can stop human trafficking by throwing up gates around the UK. However, it is not a UK phenomenon, but a worldwide one. There is no doubt that trafficking can be for sexual exploitation. In many cases, it exists down our street. In the Falkirk and West Lothian areas of my constituency, brothels have been broken up and trafficked women have been found. At Prime Minister's questions in September, the deputy leader of the Labour party raised a scandalous case in London in which some of the organisers were Iranian who lived in London. They were not necessarily UK citizens, but people who were habitually in the UK. If they had not been captured in the UK, we would not have been able to pursue them outside the country. Under the present law, if they had gone to any other EU country, we would not have had the right to pursue them.

Mr Bone: Will the hon. Gentleman give way?

Michael Connarty: I will continue for a while, but the hon. Gentleman can intervene later. That is the problem that we need to address. Many people are trafficked not just for sexual exploitation, but for domestic exploitation. They think that they are coming here for good, well-paid jobs, and they end up being handed over as domestic servants. They are paid a low wage, trapped in the house, have their passport taken off them, and told that if they go out they will be reported and sent back to wherever they have come from. There are thousands of people in this city who are living like that. We had the scandalous case of the Saudi Arabian prince who murdered a domestic slave in his household in London, and that happens in large homes in this city. It is a scandal and something that we should be worried about.

Many other people are in poverty-wage jobs. For example, someone came to see me recently who, over nine and a half years, had basically been moved from Chinese restaurant to Chinese restaurant around the UK. They were told that if they ever went to see anyone, they would be exposed and sent back home to China where, for various reasons, they do not want to return. They came to see me because I had spoken at the annual general meeting of an organisation that deals with such people in Glasgow, which of course is the only city in Scotland that takes people who are asylum seekers who have been dispersed from London. So human trafficking is a very big trade that, in fact, has sexual exploitation

at one end, but, as has already been said, that sexual exploitation is not necessarily the biggest part of the trade.

Many people are trafficked with the promise of a good job or a better life. When I spoke at the AGM that I just referred to, a young man also spoke who had been here in the UK for 10 years. He was the last remaining member of his family, having escaped from a violent situation in Africa. He was told that he was going to a better life and was dumped in Glasgow. Quite frankly, being dumped in Glasgow would be a frightening experience for some English people, on the basis that they cannot always understand the language. *[Laughter.]* That young man was dumped in Glasgow and was totally impoverished. Thank goodness that there was an organisation in Glasgow, called Positive Action in Housing, which deals with such people. It has now been going for 15 years and I pay tribute to Robina Qureshi, its director and the person who set it up. It rescues people from exactly that kind of domestic slavery and exploitation, whereby people pay to be trafficked. Indeed, sometimes their families gather large amounts of money to pay for them to be sent through human trafficking routes run by gangs in Europe and elsewhere in order to get a better life, only for them to end up being dumped on the streets of the UK or other EU countries. So it is a much bigger issue that we are talking about. There are two parts to the issue—one is about people trafficking and the other is about enforced prostitution—and we must focus on both parts.

The reference to Anthony Steen was very timeous. He was the former MP for Totnes and a member of the European Scrutiny Committee. He did an excellent job in setting up and becoming the chairman of the all-party group on human trafficking and then in setting up and chairing the Human Trafficking Foundation.

I think that the way that Anthony Steen worked was a key to how we should go on as a Government, regardless of which party is in power. He used his travels as part of the European Scrutiny Committee to go round Europe trying to convince every Parliament in Europe to have an all-party group against human trafficking. I am sorry, but we cannot set up a ring around Northern Ireland, Scotland, Wales or the UK as a whole—it cannot be done. We have to work with everyone across all the countries involved.

No doubt Anthony Steen aspires to do things beyond the EU, but when I talked to him he said that basically it was the countries that were used as transit countries, or the countries of departure, that had to be focused on. It was the countries where the criminal organisations exist; those organisations do not necessarily exist in the countries that were targeted for trafficking people into. It was not just the reception countries, such as the UK, that should be focused on. Therefore, it was important to Anthony Steen that the UK Government should sign up to and opt into the EU directive on human trafficking because that directive is necessary, so that we can have bigger and more useful powers than we have at the moment.

Mr Bone: The hon. Gentleman is making a very powerful speech. Regarding the opt-in to the EU directive, I just wanted to say that what concerns me as chairman of the all-party group is that, if we opt in, we are saying, "That's it". I do not think that the EU directive goes far enough and I do not want signing up to it to be an excuse for not doing more.

Michael Connarty: That is a wonderful ambition and if that is the case then I will now give the hon. Gentleman some reasons why we should do what is necessary now and take the first step by signing up to that directive.

During Prime Minister's questions on 15 September, when the issue of human trafficking was raised, the Prime Minister invited me to write to him and I wrote to him, to explain why the powers that we have at the moment are not good enough. What powers do we have? We have the Sexual Offences Act 2003; that is the power that we have to deal with these matters. We have heard from the hon. Member for Carshalton and Wallington (Tom Brake), a Liberal Member, that there have been 46 convictions under the 2003 Act of people who were willingly trafficked, which is not a great record.

Under section 57 of the 2003 Act, basically we can take action against anyone who is outside the UK and trafficking people into the UK, if they are UK citizens. Under sections 58 and 59 of the Act, anyone who is in the UK and planning to traffic people out of the UK can also be taken to court. The other actions that can be taken, regarding brothels and all the rest of it, are contained within that same Act. But those three sections—57, 58 and 59—are the sections that cover what I believe is identified as being the "outside" problem of what is happening outside the UK.

What does the EU directive bring, in terms of the powers that we require? It actually requires member states to assert jurisdiction on their own nationals. In other words, under the directive the UK could and should prosecute any UK national involved in human trafficking anywhere in the EU. It also gives the power, but not necessarily the obligation, for member states to take jurisdiction—that is, the power of prosecution—of a habitual resident in the UK who commits these crimes anywhere in the world. So, if they go anywhere in the UK, we can pursue them.

The EU directive also gives a power regarding a victim who was a UK national or a habitual resident in the UK who was trafficked anywhere in the EU. In fact, that gives the UK the power to protect a young woman who is working around the EU. There are now many young women who work around the EU, who do not necessarily live in the UK any longer, but who end up getting trafficked by, for example, a Bulgarian gang. Do we really think that the Bulgarian legal system will protect that young woman? However, the British jurisdiction given under the EU directive would give us the power to pursue that gang.

I want to end by saying that I want to hear why the Government are not signing up to the EU directive. Let me be quite frank. If Madeleine McCann had been an adult—a young woman—and had been trafficked out of Portugal to somewhere else by someone who was not a UK citizen, we would have no jurisdiction. Under the directive, we would have that jurisdiction, so why are the Government not signing up to it?

11.55 am

Mr Denis MacShane (Rotherham) (Lab): Thank you very much, Mr Streeter, for calling me. I offer my congratulations to my hon. Friend the Member for Wolverhampton North East (Emma Reynolds), both on securing this debate and on her promotion to the Front Bench.

[Mr Denis MacShane]

I do not disagree with much of what has been said. I am here simply to assert that we can do something. Wilberforce should be living at this hour. We have slavery, but it is not known. Slavery in the late 18th century was not much known about; it was incorporated into people's conservative traditional thinking. It has required strong individuals such as Sir Anthony Steen, who is no longer with us in this House, and other colleagues to take up the campaign against it.

I must place on record my immense disappointment that one specific measure that was put to the new Government shortly after the coalition was formed—namely, a very sensible and practical EU directive—has been spurned. As we honour William Wilberforce, I cannot honour his biographer, the Secretary of State for Foreign and Commonwealth Affairs. He made a most eloquent speech at the Upper Waiting Hall exhibition that the hon. Member for Wellingborough (Mr Bone) mentioned, yet as the steward of our European policy he is not prepared to put his ministerial tick where his mouth was just a few months ago.

[Mrs Anne Main *in the Chair*]

I want to make one small point. The Government and some hon. Members have referred to a report published in August by the Association of Chief Police Officers that talked about 2,600 prostituted sex slaves. I dislike the term "sex worker"—it has an ideological loading. The vast majority of women and girls involved this area are there because of debt or drugs; they are under the coerced control of their pimps. The image of the "happy hooker" sex worker—the "Belle de Jour" sex worker—might apply to a tiny, tiny minority, but this is one of the most disgusting forms of exploitation in our society, whereby a young girl or woman is obliged to take 10 or 12 penises into her orifices each day in order to make money for her pimps and traffickers. So we should have no more nonsense about "sex workers"—these are prostituted women who are suffering horribly.

However, regarding that figure of 2,600 prostituted sex slaves that is quoted in the ACPO report, that report was shredded almost before it was published by the Eaves organisation and other investigators, who noted that it was based on police officers in full uniform going into massage parlours and other brothels and, within sight of the pimps and other controllers of these women and girls, saying, "Excuse me, love, are you trafficked?" and then coming up with that figure of 2,600. It is nonsense, given the world statistics about the level of sex slave trafficking, which are quite reliable. Even if Britain has a smaller share of that trade than other countries, we are still certainly talking about a five-figure number of prostituted sex slaves, at the very least.

There is an important mechanism to deal with this problem of sex slavery, which is tackling the demand side. I will not enter into that debate today; there is some division across the House about it. Nevertheless, until we put the responsibility on the men who pay for sex with coerced and trafficked women, I am afraid that the hope that we will find every pimp and put him behind bars is not a very realistic one.

I pray in aid the Archbishop of York, Dr John Sentamu, who wrote a marvellous article in the *Yorkshire Post* about a month ago saying:

"Sex trafficking is nothing more than modern-day slavery. This is women being exploited, degraded and subjected to horrific risks solely for the gratification and economic greed of others. I am therefore stunned to learn that the Government are 'opting out' of an EU directive designed to tackle sex trafficking. Generally, I am no great supporter of European directives"

—that might incorporate the views of the hon. Members for the hon. Member for Wellingborough and for Congleton (Fiona Bruce)—

"but this seems to be a common-sense directive designed to co-ordinate European efforts to combat the trade in sex slaves."

The Archbishop of York is right, and I deeply regret the fact that the Liberal Democrat spokesman in this debate has not been able to back him fully and wholeheartedly. On the whole, those who lie down with Eurosceptic Tories get up with opt-outs.

We will keep pressing the Government on the issue. It is simply not good enough to say, as the Prime Minister said to the then Leader of the Opposition on 15 September, that the directive

"does not go any further than the law that we have already passed. We have put everything that is in the directive in place."—[*Official Report*, 15 September 2010; Vol. 515, c. 873.]

I am happy to say that the Prime Minister misled the House inadvertently, but he did mislead the House, and that cannot stand. It is clear to anyone who has read the directive, as I have, that the UK is not in compliance. Article 2 deals with offences concerning trafficking in human beings. According to CARE, a Christian organisation working on the issue, the UK Government are only semi-compliant. Article 7 deals with the non-prosecution or non-application of penalties to the victim, a point made strongly by other hon. Members. Again, the UK is only semi-compliant. There is no requirement in UK law not to prosecute victims, even though the Council of Europe convention explicitly states that there should be.

As a delegate to the Council of Europe, I was part of a campaign to get the UK first to sign and then to ratify the convention. The Home Office was utterly resistant, as it is today, to the EU directive. It required the Prime Minister's personal intervention to get the convention signed and ratified, but we are not yet applying its articles fully. We are certainly not applying the proposed articles of the EU directive.

Article 8 of the EU directive deals with investigation and prosecution. We are not compliant. No specific legislation addresses any of the requirements. The Crown Prosecution Service is currently consulting on its policy on prosecuting cases of human trafficking. Frankly, if the CPS had been around at the beginning of the 19th century, it would have taken until the 20th century to finish its consultation. Parliament itself must get to grips with the issue.

The UK is only semi-compliant with the directive's article on assistance and support for victims of trafficking in human beings. On the general provision of support for child victims, one of the worst aspects of sex slave trafficking, the UK is, again, only semi-compliant.

Mr Bone: Will the right hon. Gentleman give way?

Mr MacShane: I really do not have time. Forgive me; this is a short debate.

On one important measure in the directive—that there should be national rapporteurs on the issue—the UK is wholly non-compliant. The Prime Minister misled the House on 15 September. I hope that the Minister is willing to accept that and move forward.

The UK Human Trafficking Centre is being abolished. There will be no Operation Pentameter 3, which the hon. Member for Wellingborough rightly demanded. We are shutting down the initial steps taken by the last Government, who were working against "Whitehall knows best" syndrome and much of the mass media. Papers such as *The Guardian* and shows such as "Newsnight" have constantly downplayed the number of sex slaves and trafficked and prostituted women in our country. It is up to this House alone to persuade the Government.

I make no protest against the Minister who is replying to this debate—he is a sincere and serious Minister on this subject—but he has got it wrong. It is not just about UK law versus Brussels—the Foreign Secretary, in his speech to the Conservative party conference in Birmingham, was pandering to the latent Euroscepticism of his Back Benchers—but about sending a signal to every other EU member state that Britain is part of the joint European campaign. It is also about sending a signal elsewhere in the world that we are prepared to change our law to conform fully to the EU directives, as have all the other EU member states that have signed up, and take the campaign forward internationally.

I know that the Minister will have to read out his brief today, but I say to him that the campaign will go on until we are prepared to support the victims of sex slave trafficking instead of saying, by opting out of the EU directive, that the pimps and traffickers have one or two people on their side in Whitehall.

Mrs Anne Main (in the Chair): Before I call the next speaker, I remind hon. Members that I will start calling the Front-Bench speakers to respond at 10 past 12.

12.5 pm

Mark Durkan (Foyle) (SDLP): It is a privilege to serve under you, Mrs Main. I congratulate the hon. Member for Wolverhampton North East (Emma Reynolds) on securing this important debate and on her promotion to the Front Bench. I join other hon. Members in commending the long good work of Sir Anthony Steen, the former Member for Totnes, on this issue. I also commend his successor to the chair of the all-party group on human trafficking, the hon. Member for Wellingborough (Mr Bone), who is an able and active campaigner on the issue at many levels.

Unfortunately, I differ with the hon. Member for Wellingborough on the EU directive and the question of the opt-out. I note that he said in an intervention that he did not object to the directive in principle but was concerned that if we opt in, we will say that that is enough. Reference was made earlier to the resolution recently passed in the Northern Ireland Assembly. There is a serious danger that if we opt in, we may adopt resolutions that become a badge for the system without being a shield for the citizen, so that caution was well stated. However, it applies equally to the Government, whose line is "We don't need to opt in because we're doing everything it requires anyway." Surely there is a danger that people will say that they are already doing enough. As we have heard from other hon. Members, particularly the right hon. Member for Rotherham (Mr MacShane), it is not the case that the UK is doing everything required in the EU directive within its various jurisdictions.

Opting into the EU directive would give us much needed greater reach against human trafficking and its perpetrators and users. More action is needed on both the control and demand sides. I know that other hon. Members do not want to go too far into that debate today, but it is one issue that featured in the recent debate in the Northern Ireland Assembly.

We must recognise that we need to act not only at EU and the wider international level, as hon. Members have said, but within these islands. We must recognise that there is a corrupt carousel of seedy exploitation that uses various jurisdictional anomalies within these islands. We see it happening not just between Northern Ireland and the south, where there are activities in the border areas. As was mentioned in the Assembly debate, a victim uncovered recently in Stranraer was on her way to Northern Ireland, not to be exploited there but because that was her transit route to the south. We know from talking to the Police Service of Northern Ireland and people in Women's Aid who work on such issues in the north and south that people border-hop not just within the island of Ireland but between islands in this country.

I hope that the Minister will consider taking a strong initiative at the level of the British-Irish Council as well as in Europe. There are eight jurisdictions within these islands. Not all of them have a role in prosecution and pursuit, but many can play a role in supporting victims and those who assist them. Action at the British-Irish Council level, as well as at the EU level, would show that the various Chambers around these islands that are passing resolutions want such resolve to add up to effective action against this very cruel, criminal trade.

12.9 pm

Diana R. Johnson (Kingston upon Hull North) (Lab): It is a privilege to serve under your chairmanship today, Mrs Main. I congratulate my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) on securing this important debate and on making a strong opening statement about why she secured it. I also congratulate her on her new role on the Front Bench; I wish her every success with it.

The contributions of hon. Members from all parties have clearly shown that there is cross-party support on the issue and that there is a resolve across all parties to tackle it. I pay tribute to all of this morning's contributions, including that of my hon. Friend the Member for Stockport (Ann Coffey) on the role she plays in the all-party group on runaway and missing children and adults. She considered the issue of runaway children and how that impacts on the matter.

I also pay tribute to my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), who mentioned important transnational issues, and my right hon. Friend the Member for Rotherham (Mr MacShane), who, as usual, made a compelling case for why we should sign up to the EU directive on human trafficking. The hon. Member for Wellingborough (Mr Bone) made

[Diana R. Johnson]

a well informed and strong case for why the issue needs to be high up on the agenda. The hon. Members for Congleton (Fiona Bruce), for Upper Bann (David Simpson), for Foyle (Mark Durkan) and for Carshalton and Wallington (Tom Brake) also spoke eloquently.

This is my first opportunity to speak as a member of the shadow Home Affairs team. I was delighted to be given this debate to answer for the Opposition because I am the Member of Parliament for Kingston upon Hull North. One of Hull's famous sons is William Wilberforce, who played an important part in starting the debate on the slave trade so many years ago, so I am particularly pleased to have the opportunity to speak on this matter today.

I also pay tribute to Anthony Steen, the former Member of Parliament for Totnes. When he contributed to debates on the issue, he would invariably pay tribute to the previous Government's role in making sure that the matter was properly addressed. Ministers in the previous Labour Government always paid tribute to Anthony Steen and the role he played in ensuring that the issues of slavery and trafficking were considered fully and properly by the House.

I was interested to hear that it was mooted at one point that Anthony Steen should be the adviser on human trafficking to the then Leader of the Opposition, now the Prime Minister. I wondered whether Anthony Steen's advice had been sought on the EU directive and what he might say to the Prime Minister about the Government's stated positions on the directive. I use the word "positions" because the Government's positions are very unclear. The Home Secretary has said that signing up to a particular directive had to be in the interests of the UK and, of course, we would all agree with that. However, she went to say that the UK is already achieving much of what is contained in the draft EU directive. A Home Office statement went further and stated that signing up would make very little difference to the way in which the UK tackles the problem and that there would be no operational benefits. On the other hand, the Prime Minister offered to go away and think again about the directive and said that there would be opportunities to opt in at any time.

The Minister's first job this afternoon is to clear up the confusion. Is the directive in or is it out? If it is a maybe, how much of a maybe is it, and what will swing the argument either way? The Government say that the UK already complies with most of what is required under the draft EU directive but, as we have heard from various hon. Members today, there are key areas with which we do not comply. For example, paragraph 5 of the explanatory memorandum extends the definition of trafficking and inherent within that is recognition that exploitation takes many forms and that one form of exploitation, such as labour exploitation, often leads to another, such as sexual exploitation.

A clearer definition would help with the following matter. The debate about human trafficking has been dogged by the absence of clear estimates of the numbers involved, and many hon. Members have raised that this morning. In 2003, the Home Office estimated the number of victims to be more than 4,000 but, in 2008-09, the Select Committee on Home Affairs claimed there were more than 5,000. The Association of Chief Police Officers came up with the figure of 2,600 for the number of trafficked victims, and I know that my right hon. Friend the Member for Rotherham has expressed strong views about that particular figure.

The absence of a clear estimate of the numbers involved was a concern of the Home Affairs Committee, and the previous Labour Government offered to do some work to get a more reliable figure. I ask the Minister whether that exercise is still under way. Do the Government recognise not only that it would be helpful to have a clear definition, but that, if we knew the numbers involved, that would allow a comparison to be made across the EU?

Article 14 of the draft directive refers to the protection of children who are victims and calls for judicial authorities to appoint a special representative for child victims. The UK does not comply with that. The hon. Member for Wellingborough raised that issue and if we were to accept the directive and opt in, that would help his position.

Article 9 of the directive concerns extraterritorial jurisdiction. Criminals and victims may be in different countries at the time of the investigation—I think my hon. Friend the Member for Linlithgow and East Falkirk mentioned this issue—and article 9 would help British authorities to protect not only their own citizens, but other EU citizens. The position seems to be confused. Do we comply or do we not comply? Even if we reach the bar and do comply, surely the point is to work with other countries—not only to reach the bar but to go beyond it, as the hon. Member for Wellingborough mentioned.

ECPAT—End Child Prostitution, Child Pornography and the Trafficking of Children for Sexual Purposes—rightly says

> "Without international cooperation the Government will lose the battle with the traffickers. By choosing not to opt in to the directive the Government is failing in its efforts to combat this transnational crime."

The Government say that they are working to shape the EU directive. We have experience in the United Kingdom of working on projects such as Operation Golf, where we led from the front. Having helped to shape the final document, why would we wish to step back from the directive? Is it because it is European? Is it because there is a hangover from the Lisbon treaty deliberations? Are the Government over-sensitive to criticisms on Conservative websites that they are giving away powers faster than the previous Labour Government? Is it because it would cost money? If that is the case, how much do the Home Office think it will cost? ECPAT says costs would be minimal. Is that true? Has a cost-benefit analysis been done?

The Government are in danger of getting this wrong and of compounding a catalogue of errors of poor judgment. There has been confusion over anonymity for rape victims and over domestic violence protection orders, which were designed to protect victims, not perpetrators. In addition, the multi-agency risk assessment conferences are now under review, as is the use of independent domestic violence advisers. Chillingly, there has also been the fallout that led to the resignation of Jim Gamble as chief executive of the Child Exploitation and Online Protection Centre, who I understand is giving evidence this morning to the Home Affairs Committee. I want to put on the record the appreciation

that I think exists across the House for the invaluable work that he and his team did in protecting children. We support his view that to do its job even more effectively, CEOP needs more, not less independence.

When Sara Payne, Shy Keenan and Fiona Crook say that what has happened is a devastating blow for UK child protection, we ought to listen, because if we do not, the Government will be in danger of throwing away in five months progress that was built up over five years with regard to child victims. The Government need to listen to the concerns rightly raised today about the EU directive on human trafficking. I look forward to hearing the Minister clarify exactly what the Government's position is on that directive—do we comply or do we not comply?

12.19 pm

The Minister for Immigration (Damian Green): I join other hon. Members in congratulating the hon. Member for Wolverhampton North East (Emma Reynolds) not just on securing the debate, but on having a rise so meteoric that it is faster than my excellent officials can keep up with. My brief invites me to congratulate her on her election to the Select Committee on Foreign Affairs and already in the few days since it was drafted she has gone on to greater things. At this rate of progress, she will be Leader of the Opposition by Christmas. I also congratulate the hon. Member for Kingston upon Hull North (Diana R. Johnson) on her elevation to the Opposition Home Office team—I am sure that she will have many happy years there.

I join other Members in congratulating, and expressing their admiration for, my old friend, Anthony Steen, who helped to set up the all-party group on human trafficking. Work on tackling human trafficking is now being carried on by my hon. Friend the Member for Wellingborough (Mr Bone), Clare Short, Baroness Butler-Sloss and many others.

The debate has raised many issues, and I will try to deal with as many as possible. I am conscious that I have only 10 minutes, but I suspect that we will reconvene in two days' time for the debate on anti-slavery day. I will pick up first on two important contributions that were slightly out of the mainstream but seem important. First, my hon. Friend the Member for Congleton (Fiona Bruce) noted that victims of trafficking are found everywhere and that it is not just an inner-city or big-city phenomenon. I think that that is right. Secondly, the hon. Member for Linlithgow and East Falkirk (Michael Connarty) said that it is a question not just of what we do in Britain, or even in Europe—I will address the European issue shortly—but of what we can do around the world, which is a good point, and one that infuses the thinking that I propose to bring to this important matter as a Minister.

The Government take seriously our responsibility to fight human trafficking and forced prostitution. On the points made about enforcement, the UK Human Trafficking Centre and on what is happening to SOCA, our response to trafficking will be enhanced and strengthened by the establishment of the national crime agency, which, with its border policing responsibilities, will help to combat organised crime more effectively. That is our aim for the national crime agency, which will be set up by legislation in the coming months.

There is no difference between any of us on this issue: human trafficking and forced prostitution are appalling crimes in which people are treated as commodities and exploited for profit. The Government take a comprehensive approach, combining a determination to tackle the criminals behind the trade with a commitment to support victims. That approach provides the framework with which we can ensure the necessary joined-up activities, through work across Government with law enforcement agencies and in conjunction with the voluntary sector, which plays such an important role in the care of victims, as many Members have said. We need to take further strides towards tackling that menace. I am grateful to the hon. Member for Stockport (Ann Coffey) for her thoughts on Operation Paladin and Operation Newbridge. She is right that they have both been successful and useful, and I am grateful for her thoughts on what should happen on that.

On enforcement, legislation is in place that outlaws trafficking of all kinds, and relatively new legislation makes it an offence to pay for sexual services with someone who has been subject to exploitative conduct of any kind. That legislative framework needs to be helped by robust policing and a wider law enforcement response to trafficking and forced prostitution. Improving our knowledge and understanding of the situation is a key component of ensuring that we have that effective law enforcement response.

Several Members mentioned the number of victims and what might be the most credible number. I think that the right hon. Member for Rotherham (Mr MacShane) and to some extent the hon. Member for Kingston upon Hull North are being unfair to the ACPO study, which provides the latest and most accurate number we have. It is sensible to proceed on the basis that, although it is obviously a difficult figure to compute with absolute accuracy, that is the best and most up-to-date information that we have, so I think that we should work on that number. That study shows that there are 2,600 victims, which shows the need for effective enforcement work. Police forces have been supported in that work by the UK Human Trafficking Centre, which deals with trafficking as a high priority under SOCA, which had trafficking as its second priority, and further work will be done under the national crime agency.

In London, the Metropolitan police service is leading on combating human trafficking gangs and on disrupting prostitution, particularly in the five Olympic boroughs during the build-up to London 2012. The Met is effective in that in many ways. I am happy to say that this morning 17 children were safeguarded as part of a major joint operation by the Metropolitan police, Redbridge council and the NHS in that borough. The children have been taken to a specially set up assessment centre. We believe that they are victims of a Romanian-based gang of child traffickers. Six people have been arrested. That is extremely welcome news and a good example of the work that is being done in London and obviously will continue to be done in the run-up to 2012.

We of course recognise the point made about the European dimension; that trafficking is essentially a cross-border crime. Accordingly, we must ensure that there is sufficient international co-operation between Government and law enforcement agencies.

[Damian Green]

The Government remain committed to working with our international partners in the European Union and the wider world.

The hon. Member for Kingston upon Hull North said that she was confused about our response to the EU directive on trafficking. I will ease her confusion. I have heard from Members from both sides of the House that our decision not to opt in at the outset of the EU directive on trafficking has raised anxieties among some of them. We did not opt in at the outset, but we have the capacity to review that position once the directive is finally agreed, and that is what we will do. We have a strong record in the fight against trafficking and are compliant both in legislation and in practice with most of what is required by the draft directive. It contains no operational co-operation measures—I think this was the point that the right hon. Member for Rotherham was trying to get at—through which the UK would benefit. Although it might improve the way other EU states combat trafficking, it would make little difference to the way the UK does so. By opting out and reviewing our position when the directive is agreed, we can choose to benefit from a directive that is helpful but avoid being bound by measures that are against our interests.

The hon. Member for Linlithgow and East Falkirk talked about extra-territorial jurisdiction. Of course, we already have extra-territorial jurisdiction in a number of serious offences, such as child sexual exploitation. We will continue to play an active role in helping to improve EU-wide efforts at combating trafficking by working constructively with our European partners. As a practical example, we have contributed to the Stockholm programme, which contains a commitment to fight trafficking as an EU priority until 2014.

We are also involved in a number of initiatives focused specifically on trafficking, such as improving data and sharing best practice. The important co-operation between British law enforcement agencies and European partners, including Europol and Frontex, will continue unaffected. Therefore, if any Opposition Members were worried that our attitude to this would be in some way infused with any kind of ideological anti-Europeanism, I can set their minds at rest; there will be none of that in this field—*[Interruption.]*

Mrs Anne Main (in the Chair): Order. Would the right hon. Member for Rotherham please listen to the Minister?

Damian Green: I appreciate that convincing the right hon. Gentleman might be difficult, but it is nevertheless the case.

The effectiveness of the police and law enforcement agencies was mentioned. Each of the UK's 55 police forces now has an investigator trained to deal with human trafficking operations. The hon. Member for Upper Bann (David Simpson) rightly mentioned the importance of prosecutions. There have been 140 convictions for trafficking under the Sexual Offences Act 2003 and 10 convictions for labour trafficking. I agree that those are not big numbers, but some traffickers may not be charged with the specific offence of trafficking, depending on the facts of the case. I suspect that we all agree that it is better to get some sort of prosecution to get them out of their criminal businesses than to have none. Some of them have been convicted for a range of serious charges, including rape and brothel management.

My hon. Friend the Member for Wellingborough mentioned the idea of child guardians. Local authorities already have a statutory duty to ensure that they safeguard and promote the welfare of all children, and each child is allocated an independent reviewing officer who is responsible for regularly chairing reviews of their care plans. I am very aware of the problem of children going missing from local authority care and welcome the work by the London borough of Hillingdon and Hertfordshire county council, both of which have taken some practical and effective measures to try to minimise what has been a long-running problem. I have highlighted what the UK has achieved so far, but—

Mrs Anne Main (in the Chair): Order. We must move on to the next debate.

Tourette Syndrome

12.30 am

Mr Stewart Jackson (Peterborough) (Con): It is a pleasure to serve under your chairmanship for the first time, Mrs Main. I am pleased to have this opportunity to raise the important issue of Government policy on Tourette syndrome. I believe that this is the first time it has been discussed in this Chamber.

Most people understandably have little or no knowledge of TS, and what knowledge they do have is coloured by media reports which are either simplistic or exaggerated. The charity Tourettes Action achieved its highest profile and biggest income boost in 2006, when Tourette sufferer Pete Bennett was declared the winner of the seventh series of "Big Brother", but even that was not without controversy: some commentators accused the show's producers of exploiting Mr Bennett's condition to boost ratings in a voyeuristic fashion.

What are the facts about this much misunderstood condition? Put simply, it is a chronic, inherited neuro-developmental disorder characterised by uncontrollable sounds and movements which are called tics. It affects about one in 100 schoolchildren, most of whom are undiagnosed. Tourette syndrome does not affect IQ, but people with the condition do exhibit co-morbidities such as obsessive compulsive disorder, insomnia, depression and autistic spectrum disorders. There is no cure for TS, but tics wax and wane and can change in their nature and severity over time. Despite what many people believe, not all sufferers have coprolalia, which is involuntary swearing or the utterances of obscene words—90% do not have it.

People with TS face many challenges, such as the physical discomfort and aches and pains caused by their tics: 87% of people with TS who participated in a Tourettes Action survey in 2008 answered "yes" to the question, "Do your tics ever cause you pain?" and 66% of children with TS are bothered by aches and pains and physical discomfort. Repeated movements and injuries resulting from tics cause pain, and sometimes children's impulses are dangerous to themselves.

People with TS also suffer higher rates of unemployment as adults. According to a recent academic study, unemployment rates for people with TS are two to three times higher than those for the whole UK population. A study of the health economic burden of a cohort of adult hospital patients with TS in Germany over a three-month period showed that disease severity has no influence on costs. Additional TS-specific costs totalled €3,404 per patient. The cost was based on calculating direct medical costs, out-patient care costs, drug costs, ancillary treatment costs and indirect medical costs. Direct costs constituted about 18% of the total, while indirect costs comprised 81% of the total. Drug treatments constituted approximately 7% of the total costs and 36% of the total direct costs. Using those figures for adult patients with TS in the UK would correlate to costs of some £1.5 billion a year. Obvious provisos are that health economics estimations may not transfer well from country to country and, just as importantly, the experience of patients seen in a particular clinic cannot necessarily be extrapolated to the number of adults as a whole who are believed to have TS, as many do not receive specialist medical care.

Since preventive therapies are not in sight, possibilities for direct cost reduction are improbable. Nevertheless, a better integration of patients with TS in the working environment has the potential not only to improve patients' quality of life but substantially to reduce indirect costs, yet wide access to clinical psychology services and specialised habit reversal therapy is not available due to a lack of funding and trained professionals.

A Swedish study of juveniles sentenced for serious offences revealed that 2% had TS, which is double the 1% prevalence figure among schoolchildren up to 18 years old. That could be the tip of the iceberg, as most crimes committed by TS offenders are more likely to be minor offences. TS on its own rarely leads to criminal behaviour, but patients with TS who have behavioural co-morbidities are at risk of being involved with the legal system. Symptoms of TS such as jerking and shouting out could be thought to be antisocial or alcohol-related and waste police time, as well as being embarrassing for the individual.

Likewise, people with TS often have to bear social ostracism, which manifests itself in ridicule, bullying and social exclusion from an early age. Sixty-two per cent. of children with Tourette's withhold themselves from taking part in social activities because of TS-related problems. Children and young people in particular suffer a generally worse quality of life than healthy young people without TS across all the following areas: psychosocial health, emotional functioning, social functioning and school functioning. Similarly, the burden for parents and carers is significantly higher than it is even for parents of children with other chronic disorders such as asthma, according to a 2003 research paper produced by the American Academy of Child Adolescent Psychiatry entitled "Psychological Morbidity and Caregiver Burden in Parents of Children With Tourette's Disorder and Psychiatric Comorbidity".

Above all, education is a major problem for children with TS. Attention and concentration problems are common, and tics are easily misinterpreted as deliberately naughty behaviour by untrained teachers, who are rarely aware of strategies for managing TS in the classroom, or who do not understand that tics can be suppressed and children are often more focused on that than on learning. Tics, which peak in severity at around 10 to 12 years old, can typically be worse at home than at school, and children find homework tough as they are often exhausted by the effort of disguising or suppressing their tics in company. The *Journal of Child Psychology and Psychiatry* published an article last year which stated that 59% of children with TS have some sort of educational problem that needs support or special education.

The aim of this debate is to develop at least rudimentary cross-departmental working between the Department for Education and the Department of Health, and a commitment to work towards a strategy for Tourette syndrome focused on a few key areas. The first is increased access to services. TS crosses traditional public service boundaries such as physical health, mental health, education and social welfare. That is a challenge for local service providers, who should ensure that individuals do not fall between service gaps. In reality, however, the challenge often falls on the individual with TS or their family.

[Mr Stewart Jackson]

Access to psychological therapy is particularly difficult for most people with TS. For example, a member of Tourettes Action has waited more than 16 months for a decision on whether she can get habit reversal therapy. Provision of specialised services is sparse throughout the country; that is a second barrier, in addition to the stretched state of psychology services generally. She finds herself caught between various NHS bodies that are reluctant to allow resources to be used for her, and seemingly reluctant, up to chief executive level, to communicate with her in a transparent manner.

That experience is not unique, but more common is the simple lack of use of psychological treatment for TS, although there is a strong evidence base for its efficacy. Such treatments have been proven to be about as effective as drugs in reducing tic severity, but without side effects. Psychological services need to be provided on the basis of evidence in the same way that medical or surgical treatments are expected to be. This is an issue of both funding and professional awareness and training.

That brings me to the awareness of TS by those who work in primary care—the so-called gatekeepers of diagnosis. Commonly, tics will not be observed during a visit to the doctor. They are often suppressible, especially in the general practitioner's office. Some children will substitute more apparent tics with less apparent ones in the clinical setting, or will wait until they are not being observed to release tics. Others may disguise tics as seemingly purposeful movements such as brushing hair out of the face in concert with head jerking.

Half of the people participating in the Tourettes Action survey, "Evaluation of use of Consultants' List", in 2009 did not receive a referral to a specialist or a consultant. Old-fashioned notions of "habits" from which a child will recover, although appropriate to commonly seen transient tic disorders, are sometimes applied inappropriately to children with full-blown Tourette's, who need further medical attention. Although clinical expertise is not expected of general practitioners, in practice people in primary care are undoubtedly suffering from a lack of awareness.

That brings me to national recognition of the need for consistent specialist services. The Department of Health has not yet perceived Tourette syndrome as an area meriting consideration. There are no National Institute for Health and Clinical Excellence guidelines or other measures commanding the attention of commissioners, which means, effectively, that they do not feel the need to recognise the condition as a distinct issue. Consequently, patients receive different support in different regions, essentially based on the interest or otherwise of local clinicians.

Tourettes Action holds a list of only 44 consultants in the whole of the United Kingdom who have a special interest in seeing people with TS. Those consultants are a mixture of child and adult psychiatrists, neurologists and paediatricians. The list is much in demand by patients and families and has been cultivated over many years. To reduce the problems of a delayed diagnosis and treatment, it would be beneficial if that expertise were spread more widely. A possible strategy would be for a NICE appraisal of treatment options, including psychological therapies, to give support to less-experienced clinicians and to exert top-down pressure on local secondary care services to provide a suitable standard of expertise and provision. Local professionals are key figures, but currently local engagement is patchy.

Better transition from child to adult services is crucial. We need to ensure that appropriate support and services are available after a child turns 18. Tourettes Action receives helpline calls from young people with TS who have become addicted to alcohol and drugs, which they use to self-medicate their symptoms. Those young people have been discharged from children's services with no ongoing support.

TS-specific support in schools is vital. Children with TS have to live with the consequences of their education. If they are not given the right support in school to which all children are entitled, they are at high risk of ending up facing unemployment and social exclusion. Special educational needs teachers are currently not given any specific training on Tourette syndrome, even though TS prevalence in SEN classes is high. Under current legislation, including the Disability Discrimination Act 1995, schools are obliged to make reasonable adjustments, which could mean measures as simple as exit cards or extra time for examinations, or as demanding as extra staffing. Some children are fortunate to already receive a high standard of support in the education system but many, sadly, do not.

Tourette syndrome has hitherto been treated as a subject of risqué jokes and ribaldry, but for the children and young people afflicted by the condition, who are fearful of its effects on themselves and of the understandable fear and ignorance of strangers, it really is no laughing matter. They, too, deserve a hearing from our policy makers. I hope that the Minister, who has a strong record in his parliamentary career of intervening in cases involving vulnerable people, will reassure us today that there is at least a commitment to develop a policy on the condition, not least because a coherent strategy across government will not only save taxpayers' money in the long run, but will help to relieve TS sufferers and their families of a lonely burden that they have carried for too long.

12.44 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate my hon. Friend the Member for Peterborough (Mr Jackson)on securing this debate and on bringing the attention of the House to a rare and poorly understood condition. He has done a good job of outlining the scope, scale and cost of the condition and the personal impact that it has on many children and their families.

I will set out some of the changes that the Government are making in the NHS that we think will have a significant impact on and will benefit people with Tourette's. My hon. Friend talked about education, which I will briefly mention, too, particularly in the context of the difficulties that can be faced by children suffering from the condition, which can be, as he said, misinterpreted by teachers. He is right to describe the sheer feeling of exhaustion in children who are trying to suppress and hide the condition. Socially and emotionally, Tourette's can lead to ridicule and bullying and can often cause difficulties in forming relationships. Although some children grow out of the condition, it is a barrier in many ways, particularly to employment in later life. We

need to ensure that we have a psychosocial-physical approach: we need to look at the whole person when designing services around the needs of individuals and their families.

My hon. Friend is right to mention stigma: that is a big challenge that we have to tackle. Today's debate is a helpful starting point. I welcome his demolishing some of the myths that surround Tourettes syndrome, most notably his confirming that, despite the popular caricature, involuntarily swearing is only present in a tiny minority of cases.

I join my hon. Friend in commending the work of Tourettes Action, which is doing excellent work to build awareness and skills in health and children's services. As he says, that work demonstrates that better awareness, timely diagnosis and good access to specialist care are critical in improving people's quality of life. Of course, early detection makes it less likely that the child gets blamed for what might otherwise be mistaken for bad behaviour. Indeed, the condition is stress-sensitive and the relief a child can get from teachers and their classmates understanding their condition can actually improve their symptoms.

The NHS has not always got diagnosis right. My hon. Friend is right to mention the range of services that are provided and their patchiness. The Government have to grapple with that inheritance and ensure that we build on those services and improve them significantly in the coming years. It is clear that young people and children affected by Tourette's have not always had the right support and services. We need to get better at identifying the condition, referring children to specialists and providing the long-term, integrated support needed to reduce the wider effects. I cannot promise a dedicated strategy specifically for this condition, and I do not think that that is what my hon. Friend is asking for, but I am keen to see that the issues he raised are properly fed into our future plans for the NHS, particularly into developing our thinking on child mental health. In addition to the reassurances that I hope I can give in the time left, I will ask officials to meet Tourettes Action and my hon. Friend to continue this conversation and discuss in more detail the issues he has raised. This debate is not the end of the discussion, but just the beginning of a process leading to the sort of improvements that he has been talking about.

The proposals for the NHS set out in our White Paper give us a powerful opportunity to improve the care and support received by children with Tourette's. First, patients will have much greater power in the reformed system. We want to give people more information about services, more choice about their treatments and more influence over how health care is shaped in their community. Local health watch organisations will ensure that views and feedback from patients and carers feed into future decisions about shaping local health and social care. By devolving responsibility for commissioning to GP consortiums, decision making will be closer to patients and more responsive to their individual needs. Of course, we have to ensure that GP commissioners are ready and have the skills and awareness that they need to take these decisions. The NHS commissioning board will work with a range of expert organisations to ensure that GP leaders get the right support. There are certainly opportunities for Tourettes Action to contribute to developing family doctors' understanding of the condition and how to commission for it effectively.

Secondly, there will be a much bigger role for local government in promoting integration and partnership working between the NHS, social care, public health and other local services and strategies. In particular, local government will take on the function of joining up the commissioning of local NHS services, social care and health improvement, and providing greater local democratic accountability for the community.

My hon. Friend mentioned identification and planning of care for children with Tourette's. Under our plans, councils will ensure that GP consortiums and their local partners work together on joint strategic needs assessments for local populations, looking not just at who is on the patient list, but at the wider needs of the population in the locality. That will mean that councils and health organisations will become much better at identifying children's needs, and putting the services in place to meet them. Our proposals for health and well-being boards will provide a place where children's services, health services, social care and other agencies may come together to ensure that we are better at planning services and dealing with some of the issues that my hon. Friend mentioned.

The third key point is that the new NHS will focus on outcomes, not on processes. The trouble with a top-down and target-driven system is that it creates a culture in which, as my hon. Friend said, what gets measured gets done. If it is not measured, it seems to be neglected. He described perfectly what we have seen and how services have developed over several years. Our proposals will create a level playing field in the NHS between mental and physical health, and will encourage a much more constructive relationship between health and other public services. That is important, and my hon. Friend rightly said that we must ensure that we do not treat mental health services as a poor relation of the NHS. The Government are determined to ensure that that does not happen.

Health services will be judged and, increasingly, paid not just according to the number of procedures or consultations that they carry out, but on the value that they bring to patients' health and their wider life—my hon. Friend made that point well. That will be a powerful catalyst for bringing services much closer together around the needs of the individual. A child with Tourette syndrome often has multiple and complex needs, as he said. More often than not, they will also have symptoms of attention deficit hyperactivity disorder, obsessive compulsive disorder or depression. They may be seen by a range of health care professionals, including psychiatrists, psychologists and so on. An outcomes-based approach will ensure that all professionals are geared to work together to achieve the best results for the child. Our proposals will be a potent catalyst for change and improvement in this area.

Fourthly and finally, we are in the process of developing a new mental health strategy, which will be cross-governmental and will examine how to support people's emotional well-being and mental health at all ages and across all services, not just health. One of my criticisms of the "New Horizons" mental health strategy was that it did not do enough to tackle discrimination and stigma. We are determined to make sure that in a more

[Paul Burstow]

public health-oriented mental health strategy, we begin to address those issues more effectively. That must certainly be the case for Tourette's.

Mr Jackson: I am grateful for the Minister's positive response. Will he undertake to share the results of the wider review of mental health and Tourette syndrome with his colleagues in the Department for Education? An holistic approach is incredibly important, as is the close working relationship between specialist psychology and mental health services. Local education authorities are particularly important in ensuring that children's educational attainment is the best possible.

Paul Burstow: I certainly undertake to ensure that the Minister of State, Department for Education, my hon. Friend the Member for Brent Central (Sarah Teather), who has responsibilities in this area, reads this debate. We recently met the National Advisory Council for Children's Mental Health and Emotional Wellbeing, and we are discussing its thoughts on how to move forward and to ensure that child and adolescent mental health services are properly reflected in the new mental health strategy that we are developing. That is an issue for further discussion. I have made it clear that I want mental health to achieve parity with physical health in NHS thinking about care. I also want to ensure that CAMHS are not overshadowed by adult mental health services, which should help to drive up the quality of care for children with Tourette's.

My hon. Friend talked about transitions, which are important. We so often get the transition from children's services to adult services wrong. I agree that that continues to be a serious weakness and that child and adult mental health services do not work seamlessly together. That was identified as an area requiring improvement by an independent review in 2008 and in the report of the National Advisory Council for Children's Mental Health and Emotional Wellbeing, "One Year On", which was published in March. One difficulty is that not all child mental health services are replicated in adult mental health provision, and my hon. Friend described some of the services that are rarely available for children. The new commissioning arrangements, particularly the new role for local government, with an outcomes-based approach, give a new impetus to developing better transition services. We must get that right for children, regardless of their condition.

We are also working with the royal colleges and others to promote higher standards of education and training throughout the clinical community. My hon. Friend rightly focused on that, and I welcome the fact that a network of psychologists and other therapists is being established to work with people with Tourette's. That is a powerful way of moving the agenda forward. I understand that the network hopes to establish a specialist training workshop, led by experts in behavioural treatment for tics, during 2011. I commend that work and look forward to hearing the results.

My hon. Friend mentioned the role of schools and the need to collaborate across Government. I do not have ministerial responsibility for this area, but I draw his attention to the Green Paper on special educational needs and disabilities that the Minister of State, Department for Education, my hon. Friend the Member for Brent Central, is preparing. The aim is to make the system work better for parents, so that they do not have to battle to obtain the necessary support for their children. A call for evidence was launched last month and is due to close this Friday 15 October. If it has not done so, I hope that Tourettes Action will contribute its views. I am sure that this debate will also be a useful contribution.

I thank my hon. Friend for introducing this important debate. He raised some points that are important not just for children with Tourette's, but for children with a wide range of neurological and mental health problems. Our White Paper provides the chance to refocus the NHS on achieving better results for them all. The outcomes framework will be a central driver for improvement and will ensure that the NHS treats the person, not just the disease, but meeting people's needs effectively depends on good partnerships with groups such as Tourettes Action to give us the expert knowledge that we need about rare conditions. I am keen to have a strong dialogue with the voluntary sector, and indeed the White Paper is all about opening doors to organisations such as Tourettes Action. I hope that the group's first step will be to take the opportunity to meet my officials and to respond to the call for evidence by my hon. Friend the Minister of State, Department for Education. I hope that by working together in that way, we can do much better than the legacy that we inherited from the past.

Offshore Wind Infrastructure Competition

1 pm

Dr Alan Whitehead (Southampton, Test) (Lab): I am delighted to conduct this debate because I think that it relates to a real and important part of our future. We are on the cusp of a revolution in our energy supplies—a green energy revolution that will surpass anything that we have seen so far by several orders of magnitude. It will primarily involve the manufacture, assembly, deployment and servicing of offshore wind energy, harvesting the wind around our coasts—and sometimes as far as 200 km away from them—so that by 2020, 20% of our electricity needs will be supplied from renewable sources.

We have passed some milestones along the way. Over the past six years, Britain's offshore wind capacity has steadily increased, and 350 turbines have been installed offshore, collectively providing over 1 GW of installed capacity. During that period, one new turbine was installed every 11 days, and Britain is now the world leader in installed offshore wind. Over the next 10 years, that rate of installation will need to increase twentyfold. With the commitments outstanding from round 2 licensing competitions for UK coastal waters, and the recent allocation of blocks in round 3, about 6,400 turbines are projected to be installed at a rate of roughly one a day from now until 2016, with up to 2.5 a day between 2016 and 2020. As a result, there will be 30 GW of installed capacity offshore, which will come in part from deeper sea installations with larger turbines of up to 10 MW output per turbine at full capacity. Just four of those turbines, for example, could power all the homes in my constituency.

This is an enormous and ambitious challenge, but it is not just paper talk. The sites have been allocated, the companies developing them have been recruited, and the planning and finance is under way. It is not a matter of controversy between the parties; the process was started by the last Government, and it is set to continue under this one. The coalition agreement explicitly states:

"We will deliver an offshore electricity grid in order to support the development of a new generation of offshore wind power."

If, as is widely stated, there is a determination to come out of the recession through green growth and investment, surely this programme is the epitome of such action. It will see the investment of perhaps £120 billion and the creation of over 55,000 jobs—perhaps 70,000 if substantial elements of the revolution are fabricated and sourced from the UK.

Will it really happen? In my view, it has to happen if we are to come anywhere near to keeping pace with targets on decarbonising our energy supply and, in terms of energy security, sourcing for ever and at no additional fuel cost energy that is securely delivered to the UK from the UK. It is good to see that the commitment is there and that the legal and administrative structures to guarantee deployment are in place. The renewable obligation to underpin the financing of this enormous roll-out is now guaranteed beyond the round 3 competition completion date, with the calm waters of investment security lapping around the turbines as they go up.

Unusually, the doubts come from a different angle. They are not due to politicians falling out with each other and devising contradictory schemes that destroy confidence, or because of a lack of technical know-how. They are not due to the debilitating morass of legal minefields, but are simply a question of how we as a country assemble the resources to build and maintain such an undertaking over the period in which we have to do it. In the face of international demands on resources, we will not be able to rely on others to come in and do it for us.

As has been observed, this programme will put other engineering feats such as the Thames barrier and the channel tunnel into the shade. It will require an efficient supply chain consisting of turbine blades, foundations and concrete towers, gear boxes for the turbines, 7,500 km of underwater high-voltage cable, the commissioning and use of vessels to transport, deploy and service the turbines, and the port estate that can serve to assemble, deliver and service those wind farms on which we will depend. If the supply chain is effective, it will produce jobs for the UK along its length and, if sited securely, much of the manufacturing and finishing of the supply chain components will be located in the UK.

If we do not tackle the problems and grasp the opportunities of that supply chain, and if we do not have the ambition to meet its challenges, one of two outcomes will be inevitable. We will either fail to deploy anything like the number of turbines that we need to supply the 20% of electricity from renewables to which we are committed, or we might get close to our target but find that the good offices of others step into the breach that we leave. Consider for a moment the construction of the largest present offshore wind farm in the world, the London Array. It was undertaken by overseas companies, using components for the turbines that were overwhelmingly sourced overseas, and managed and serviced not from this side of the channel but from Dunkirk.

We must get that supply chain fit for its purpose, sound and able to deliver on the ambitions that we have set for it. We have the facilities; there are some 200 ports around the coast of Britain and there is far more land and developed quayside than almost anywhere else in the world. Just as we turned around ports and port estates to assemble drilling rigs, receive and deploy pipelines, and service and supply production platforms during the last North sea energy revolution, so must we do it again in the new, green energy revolution.

Most of the investment for that enterprise will come from the private sector, but it must be primed so that the redirection of the ports that will play key roles in the supply chain gets securely under way. Once it is underway, there will be a great added-value outcome with clusters of manufacturing, servicing, component assembly and cable laying that will support the wind farms as they grow.

Industry estimates suggest that to complete the deployment of those 6,400 turbines by 2020, and to secure further development over the following decades, about five offshore wind turbine plants, five plants producing foundations and 13 cable factories need to be built in the UK, alongside and probably in the vicinity of those ports, scoping out the capacity to put all that manufacture to good use.

That was essentially the intention of the offshore wind infrastructure competition: to bring along that tremendous value-added outcome in the wake of some relatively modest pump-priming, in this instance some £60 million.

Alex Cunningham (Stockton North) (Lab): Does my hon. Friend agree that any action by the Government to deny funding support for this industry and competition would fly in the face of the declaration made by the Prime Minister that his would be the greenest Government ever? Such an action would damage the prospects for tens of thousands of jobs in constituencies such as mine that have the expertise to execute massive contracts, and it would chase potential developers to European coastline areas where they could win big business equally well.

Dr Whitehead: My hon. Friend anticipates some of the comments that I am going to make shortly. It is right to say that not only do we need the Government to be the greenest ever in terms of their ambitions, but that to will the ends yet deny the means of arriving at those outcomes would be difficult to countenance.

The offshore wind infrastructure competition was first announced on 24 March this year. It was described in the following words:

"The competition will consider bids from site developers who have a viable plan for developing their site into a centre for offshore wind manufacturing and assembly. We intend to make funding available for the development of these sites...We expect that sites will need to demonstrate that they have the capability to provide: sufficient land capable of being developed into a manufacturing site for offshore wind turbines; access to facilities for the transport of large and heavy products; and heavy duty surfacing capable of bearing heavy loads. Bids will need to be supported by intent from a manufacturer(s) to locate on that site if the site is successful in the competition."

Remarkably, on the back of that announcement, tectonic plates did begin to move. A day later, GE Energy announced that it intended to invest £90 million on turbine manufacture in the UK. Less than a week later, Siemens announced that it intended to invest more than £80 million in UK-based offshore wind turbine production. When we add to that Clipper turbines siting a 70-feet blade manufacturing plant on the Tyne, Burntisland Fabrications announcing two new factories building underwater jacket substructures in Fife, and Welcon producing 100-metre towers in Campbeltown, the surge in the direction of UK-based manufacturing and support seems to be under way if—I do not think that this is overstating matters—that priming process remains in place.

Peter Aldous (Waveney) (Con): I am grateful to the hon. Gentleman for securing the debate. I share his enthusiasm for wind energy—offshore renewable energy—and ensuring that we make the most of the opportunity that it has presented to us for our industry and for securing manufacturing in the UK. To my mind, we need to be adopting a three-pronged approach—

Mrs Anne Main (in the Chair): Order. May I gently remind the hon. Gentleman that this is a very short debate and he is supposed to make a brief intervention?

Peter Aldous: Thank you, Mrs Main. I was referring to the green investment bank, developing the skills base and Government—does the hon. Gentleman agree that Government acting as a catalyst to attract that investment is vital?

Dr Whitehead: I agree that Government acting as a catalyst—I mentioned pump-priming—is vital, not by providing underwriting and a subsidy for ever, but by priming the process whereby, precisely as the hon. Gentleman mentioned, manufacturing brings about the added value that I am certain will be part of the process in a relatively short time.

It is important that the pump-priming process remains in place, giving the manufacturers confidence that there is a future for them in the UK and that the plans for getting the supply chain in the UK right for wind are serious. However, the announcement of the competition, archived on the Department for Business, Innovation and Skills website, has, subsequent to its initial appearance, had this message affixed to it:

"Current policy under review. Site will be updated as soon as we have a clearer view of the new Government's policy".

That is it, in a nutshell. Will the competition now proceed? My view is that for all the reasons that I have outlined, it is imperative that it does. Cancellation or even a delay of the competition would seriously hamper the development of the infrastructure necessary to make what all sides are committed to, start to work in practice.

Caroline Lucas (Brighton, Pavilion) (Green): Does the hon. Gentleman agree that if the funding is cut, that will show that the coalition Government have little or no real understanding of the returns to the economy and the environment from maintaining investor confidence in green initiatives such as offshore wind infrastructure, and that their savage spending cuts are causing uncertainty for people living near ports such as Newhaven, just up the coast from my constituency? Does he share—

Mrs Anne Main (in the Chair): Order. May I ask the hon. Lady to keep her remarks brief?

Dr Whitehead: I thank the hon. Member for Brighton, Pavilion (Caroline Lucas) for her intervention. I am trying my best to be as nice as possible today in ensuring that the points that I think are essential with regard to the future of the competition are placed squarely on the table. However, it is correct that each of the different competitions, incentives and devices all add up to the question whether the present Government are serious about a green agenda; or are they prepared to will the ends but not the means as far as that agenda is concerned? That is a very important consideration in respect of all the issues that we are discussing.

Let us say that the competition is cancelled. It takes more time to re-establish those links and that confidence, once broken, than it does to establish them in the first place; and it is fair to say that as far as North sea wind is concerned, we do not have time to throw away.

Of course, I am aware, as everyone else is in the Room, that hard decisions about the future of public money and investments await us; and I am not one who will rush to the defence of every existing commitment regardless of its intrinsic merit. However, there is a clear distinction between those investments that work within themselves and those investments that work beyond themselves, and this one, as I have shown, will, I hope, work far beyond itself in terms of value added on money invested.

However, there is another factor at work. That relates to the very nature of round 3 itself. Round 3 is one of many stages in licensing processes of various kinds that have gone on in the North sea over the years. Those licensing competitions, under the auspices of the Crown Estate—the owner of the seabed around the British

isles—are not charitable auctions. They raise money permanently from the licences that are issued. In the case of the Crown Estate, the money, after investment decisions have been looked after, goes directly back to the Treasury. That is what is required of the Crown Estate by statute.

In this context, it is instructive to consider the sort of sums that we are discussing. The Crown Estate altogether has contributed some £1.8 billion to the Treasury over the past decade. Last year alone, £46 million came the Treasury's way from the Crown Estate as a result of its overall seabed activity. In its 2010 annual report, it stated:

"Revenue delivered by the renewables sector rose sharply by 44.4% to £2.6 million. From a low base, this part of our business is experiencing exponential growth and we expect it to provide a significant source of total income in the next 10 years."

In other words, a good proportion of the £60 million for the infrastructure competition comes back to the Treasury through the licensing arrangements on the seabed that are a sine qua non of all the rest of the activity.

This is not a trivial point: we can say with certainty that the offshore renewables industry is providing, up front and as a sign of its intent, substantial sums of money before a single watt of power has emerged from its round 3 investments. Therefore, the investment by Government of that £60 million in port infrastructure can perhaps best be seen as a contribution in kind that jointly will unleash the value added outcome of £1.2 billion in investment as the licences reach maturity. We are talking, in the offshore wind infrastructure competition, not of a quango to cull, but of a world to win. I hope that the Minister, who I know cares deeply about these matters and has stoutly supported the development of offshore wind through its many vicissitudes, will be able to confirm that that is his view also, and that the little notice on the top of the announcement of the competition is shortly due for removal.

1.17 pm

The Minister of State, Department of Energy and Climate Change (Charles Hendry): It is a great pleasure to serve under your chairmanship, Mrs Main, and to do so on the subject of renewable energy, which I know is also close to your heart. I congratulate the hon. Member for Southampton, Test (Dr Whitehead) on securing the debate and on introducing it in such a constructive and thoughtful way. I am grateful to him and other hon. Members for the way in which they have taken part in the debate, which has enabled it to be constructive and positive.

I agree with the hon. Gentleman that we are on the edge of a green energy revolution, and that time is not on our side. I agree also with my hon. Friend the Member for Waveney (Peter Aldous) that the Government have to be a catalyst to making the green energy revolution happen. The potential is simply enormous and we are completely dedicated to making it happen.

My right hon. Friend the Prime Minister said that this would be the greenest Government ever. He said that on his second day in office and it goes to the heart of everything that we are doing as an Administration. Our ambitions are clear. We want Britain to be a global leader in the transition to a low-carbon economy and we are committed to reducing our carbon emissions by 80% by 2050.

I am sure that the hon. Gentleman would agree with me that the future of the UK's energy supply must be secure, flexible and low carbon. It is not one against the other; all three elements must be part of the way forward. We envisage a mix of low-carbon generation that will be made up of new nuclear—the hon. Gentleman and I may part company on that one—coal with carbon capture, and renewable sources. We also envisage a substantial element of energy efficiency, as the cheapest energy of all is the energy that we do not use in the first place.

However, in moving to a low-carbon energy system, I am well aware that there are serious challenges ahead. Some of them arise because this change comes at a point in the cycle when we need radically to upgrade and update our energy infrastructure in any case. Ofgem and Ernst and Young have calculated that over the next 10 to 15 years, some £200 billion of new investment is needed in new generation, transmission and distribution systems.

Renewable energy is set to be a major part of our future energy supply and will consist of a wide range of technologies, some of which are well established, such as onshore wind, and some of which are emerging still, such as wave and tidal energy. However, it is clear that there is an important role for offshore wind in the UK's energy future, and all of us taking part in the debate are united on that. The UK is a windy place—we have 40% of Europe's wind resource, and a lot of land and a great deal of sea bed available for generation. Wind is a low-carbon energy source, which means it will play a major role in tackling climate change. As the hon. Gentleman said, it is also a domestic energy source, which means that it will make a vital contribution to our energy security as well.

Offshore wind is quickly making the jump from being an emerging technology to being a major part of the UK's electricity supply. I am sure that many Members welcomed the formal opening of Thanet offshore wind farm three weeks ago by my right hon. Friend, the Secretary of State for Energy and Climate Change. With a hundred turbines, it is the largest operational offshore wind farm in the world, and a clear sign of the UK's determination to develop this huge natural resource with which we are blessed. I agree with the hon. Gentleman: we are carrying forward work started under the previous Administration and seeking to build on it.

It is clear that the sector recognises how committed to deployment we are, and many companies are starting to gain access to this new and long-term market. The message is clear: if you want to be in the offshore wind market you need to move quickly, and the UK is the place to be. We will certainly learn the lessons from the past; we have seen too much supply chain activity going overseas. We do not want to look back in a few years' time and see a most remarkable roll-out of such technologies, but with too many jobs and much of the investment having gone to other countries.

An important supply chain is already developing. Mabey Bridge in Monmouthshire and Welcon Towers in Argyll are making the towers that support the turbines.

[Charles Hendry]

David Brown in Huddersfield is making the large gearboxes. Tees Alliance Group and Burntisland Fabrication, to which the hon. Gentleman referred, are making the foundation components. Harland and Wolff is being transformed into a centre for offshore wind and renewable technologies. Granada Material Handling in Manchester recently won a contract to supply 176 cranes for the Sheringham Shoal offshore wind farm. Prysmian Cables & Systems in Wrexham won a £15 million cabling contract for the Gwynt y Môr wind farm. Some key investments are coming through. We are already exporting key components—these are not just exercises for the domestic market—for example, Burntisland Fabrication has supplied foundations not only for the Greater Gabbard project off the Thames estuary, but for the German Alpha Ventus offshore wind project.

Although I note the enthusiasm of the hon. Gentleman for offshore wind manufacturing, I must be clear that I will not be announcing the outcome of the spending review. It may be tempting for me to do so but it would obviously be a bad career move to take the Chancellor's thunder. We understand the issues that the hon. Gentleman and many others have raised, and the importance that they attach to the infrastructure project. We will be providing clarity on that and ensuring that the website message can be changed in the near future.

As the hon. Gentleman notes, the rapid deployment we need will pose a real challenge to the supply chain. The levels of deployment we are likely to see in the UK and Europe are far in excess of current production capacity, and rapid scaling up will be needed. There is no doubt that that offers potential for significant employment and economic benefits to the UK, as well as the opportunity to create a broad manufacturing base in a high-value-added sector, which really needs to be close by in Europe—partly due to the sheer size of the turbines—and I intend for it to be in the UK. Turbines used offshore are larger and have to be even more reliable than onshore ones. They have deep foundations and need undersea cabling, and their size means that they are harder to transport, and, realistically, a lot of the production has to be local to the market—and the UK is the market. We are already No. 1 in the world for offshore wind deployment, and, under all realistic scenarios, we will keep that position all the way to 2020 and beyond.

Until very recently, the production of offshore turbines was a niche market, but that is about to change. The industry is at an early stage of development, but is set for huge growth. The UK is well placed to make the most of it, and the Government intend to achieve that. We have a strong research and development capability, and some excellent engineering, technology and manufacturing opportunities. Our experience in the aerospace and engineering sectors, coupled with several decades of work developing the North sea oil and gas resource, and working in the very hazardous conditions there, means we have a pool of talent and experience to bring to this new sector. In short, we have a skilled work force and some excellent companies that are ready to diversify into this new market. It is an innovative sector, in which the technologies used are still evolving and improving, and innovative companies have the potential to be very successful in the supply chain.

I was pleased that back in July we were able to announce the first round of grants since the Budget for developing new-generation offshore wind technology, shortly after the coalition came to power. That emphasises the way in which we are keen to stimulate activity in the sector. To cite a few examples: JDR Cable Systems is working to develop high voltage export and array cables for distribution of power from next generation, multi-megawatt turbines; South Boats will look at the modular design of offshore wind farm support vessels; and Converteam will develop large-scale direct current conversion technology. The grants indicate the sheer breadth of the supply chain opportunities in the sector and the Government's determination to move forward.

Deployment of offshore wind could require an investment of over a hundred billion pounds over the next decade. If we are to see that huge sum invested by the sector, one thing is clear: we also need to do everything we can to ensure that developers, investors and manufacturers have confidence in the market. They must see us as the most attractive place in the world to invest. We have tackled some of the barriers that have, until recently, held the industry back, for example, taking forward the work on planning and providing a stable regulatory environment to ensure swift consenting decisions. Ministers will decide major infrastructure projects within one year, in accordance with the clear policy framework provided by national policy statements. That will help to secure the confidence of investors by removing concerns about delay. There has been progress, and we are determined to move forward quickly.

The Crown Estate recently had a successful leasing round, with strong interest from developers, and it is also undertaking enabling actions, including aerial bird surveys and marine mammal research, to de-risk and accelerate development within round 3. My department has completed a strategic environmental assessment. We are ahead of the game on that aspect of marine spatial planning, and taking a proactive stance on the use of assessments as a means of striking a balance among promoting offshore energy resources, effective environmental protection and other uses of the sea.

I am aware that we need a form of financial support that works for offshore renewables. We will set out our proposals for reforming the electricity market later in the year, but we are clear that we will not change the ground rules for renewables obligations for existing investments—we are not taking a retrospective approach to that work. We are committed to securing a significant increase in investment in renewables, so that we can meet the legally binding requirement for the European Union energy target in 2020 and our other long-term decarbonisation objectives.

As my hon. Friend the Member for Waveney said, we are also planning to create a green investment bank to deliver financial interventions that address market failures specific to green investment needs, thereby supporting growth and environmental objectives. I chair the offshore wind developers' forum, which brings together people keen to invest in the industry. Our approach is to look systematically at all potential barriers to investment, and ensure that we address them and move them on.

We are looking at how we can put in place the regime that will be most attractive to investment in offshore transmission. We consider that it will deliver cheaper and timelier offshore grid connections, encourage innovation

through competition, and enable new entrants to compete in the market. Ofgem is taking forward much of the work; the first tenders for transitional—in other words, already constructed—assets were signed in summer 2009, and full implementation of the transitional regime followed in July.

I hope that I have been able to show that, on a range of fronts, we are taking forward the measures that will make this country attractive to investors in the offshore wind sector. We are in no doubt about its potential in terms of our energy security and moving to a low-carbon economy. We are equally in no doubt about the contribution that it can make towards the development of green jobs in Britain and to revitalising some of our port infrastructure. The hon. Gentleman will have to be patient for a little longer for the details of how we intend to take that forward. I hope that I have reassured him and other hon. Members of our absolute commitment to making Britain a world leader in this area.

Rights of Victims and Families

1.30 pm

Esther McVey (Wirral West) (Con): I start by welcoming everybody to what I hope will be a constructive and informative debate. As the title suggests, its main purpose is to discuss the rights of victims and their families in the judicial system. I want to look at that especially, although not exclusively, in the context of violent and serious crimes such as murder and manslaughter.

Let me begin by familiarising everyone with the current support for victims, before presenting some facts and case studies to highlight the problems in the judicial system. In a written answer, the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly), explained that, under the current system,

"The Government ensure practical and emotional support to victims through Victim Support and other voluntary sector providers. Through the Criminal Injuries Compensation Scheme, it also provides financial compensation to blameless victims of violent and sexual crime. Bereaved relatives of homicide victims are also able to access free legal advice using a specialised helpline established in 2009. Any victim or witness can access free legal advice through the Legal Services Commission's Community Legal Advice website and helpline."

He continued, noting that the Ministry of Justice

"currently funds Victim Support on an annual basis and they received £38.2 million in the last financial year...This year Victim Support are testing a model of working that has seen the development of enhanced support services for the most vulnerable victims of crime and in particular families bereaved by homicide. Other specialist providers of services to victims are funded by the victims' fund, comprised of money collected through the Victims' Surcharge which is levied on all fines and ring-fenced for spending on services to victims. In 2010-11 £2.25 million has been made available to fund third-sector services for victims of sexual violence, £270,000 to fund third-sector services for families bereaved through homicide and £250,000 has been made available to third-sector services for hate crime."—[*Official Report*, 21 July 2010; Vol. 514, c. 323W.]

The National Victims Service would support the details that I have just read out. It highlights the fact that support for victims has dramatically improved in recent years and that crime levels are at their lowest since the war. The British crime survey has reported that all crime rates are falling and have been in steady decline since 2002. It also tells us that there has been an overall reduction in violent crime, and the number of violent incidents has fallen by half since 1995. Those statistics are certainly encouraging, and I welcome the recent announcement by the Ministry of Justice that it intends to get prisoners to work, with some of their earnings being set aside for victims of crime.

There are, however, two sides to every story. Jean Taylor, whose name I have mentioned before in the House of Commons in reference to victims of crime, is a courageous lady. She established the Merseyside charity Families Fighting For Justice, which is now spreading across the country at a rapid pace and becoming a national charity because her words ring true and resonate with people countrywide. This is what she has said:

"What I learnt after the murders of my sister and my son and daughter was there is nothing out there for us victims and their families. But there is plenty out there regarding support and funding for the murderers and their families, while we are left in the dark to cope with the loss of our loved ones."

[Esther McVey]

Unfortunately, those feelings are echoed elsewhere. Discussing its 2009 report "Order in the Courts: Restoring trust through local justice", the Centre for Social Justice states:

"The courts are supposed to pursue justice, and discipline and rehabilitate law-breakers. But there is a widespread loss of faith in the sentencing process. Citizens do not believe that the courts punish appropriately. Sentences often fail to reflect the crime and appear opaque…Criminal activity and punishment are too distantly linked in the minds of many criminals because of a cumbersome and bureaucratic trials and sentencing process."

What the facts do not illustrate are the failings of the current judicial system. The criminal justice system needs better to take into account some of the impacts that current procedures have on victims and their families. Such procedures include lenient sentencing for a guilty plea, lesser sentences for manslaughter, life not meaning life and the right to appeal, when some appeals are malicious. We should also consider some of the very real situations that I am about to explain, which demonstrate why victims' families find themselves in a lesser position than perpetrators.

Perhaps hon. Members can imagine for a moment being a member of a victim's family. There is a knock on the door, usually in the middle to the night, to say that their child has been murdered. The family are left dealing with the shock and grieving the sudden and tragic death of a loved one. They then have to arrange the burial while attending court.

There are stark differences between the treatment of the perpetrators and the victims and their families. The victims I have met, and who I know all too well, have to travel to court by bus, whereas the murderers are driven to and from court and are protected. Once in court, the perpetrator's family is given a room in the court away from the media and the victim's family. However, the victim's family is frequently left to sit in corridors.

Gareth Johnson (Dartford) (Con): I congratulate my hon. Friend on securing the debate. I know that she feels particularly strongly about this issue, and she has raised some important issues. Far too often, particularly in youth courts, which are closed courts, victims and their families are wrongly excluded from attending the public gallery to watch the proceedings. There are also issues about access to the new virtual courts. I hope that we can ensure that access to courts is improved for those victims and families who wish to watch the proceedings, as in the cases that my hon. Friend outlined.

Esther McVey: My hon. Friend raises some pertinent points, and he is very experienced in this area, having spent 20 years working in the justice system.

To continue the list of differences, the perpetrator is provided with medical and professional psychiatric help, whereas victims and their families must go on a lengthy national health service waiting list just to see a counsellor. If a murderer dies in prison, his family will get up to £3,000 to bury the body, while victims get a tiny percentage of that and have to wait many months to be paid.

Rehman Chishti (Gillingham and Rainham) (Con): I congratulate my hon. Friend on securing a debate on such an important and emotive topic. Judges currently have access to victim impact statements before passing sentences. Does that adequately reflect the impact on victims and their families in the judicial system?

Esther McVey: It goes some way, but many of the thousands of victims who have linked up across the country tell me that it does not go all the way. Again, more needs to be done.

All the differences that I have outlined are plain wrong. The inequality in the system is wrong and so, too, is the message that it sends to society and the local community where many of the victims and perpetrators live side by side in adjacent streets.

Andrea Leadsom (South Northamptonshire) (Con): May I add to that on behalf of a constituent whose daughter was murdered? The family were forced to wait to bury their daughter while the defence team went through two post mortems over a very long period, with all the delays involved in finding legal aid. Surely it would be better in the case of murder to have two post mortems in the first place so that there could be no doubt about the cause of death.

Esther McVey: My hon. Friend raises a point that is made time and again: the pain and suffering caused to people when there must be a further autopsy on a body—once, twice or three times. In those instances it is felt that the perpetrators of the crime get a better deal, and the victims' families are often left without adequate help and support. Such help and support are vital to enable them to come to terms with the horrific crimes, the loss of loved ones and the complicated, drawn-out and distressing process that follows.

The impact can be felt in many areas. It can be financial, as family members may need breaks from employment so that they can recover. Some need extensive medical treatment, and some have to repair damage to homes and property as well. For others the cost is emotional. Many victims suffer from anxiety, the threat of victimisation, and deteriorating mental health. For some the cost is physical. Many people in society, including me, question the leniency shown towards the perpetrators of crime, which is juxtaposed to the psychological and financial cost that the victims and families must deal with. Jean Taylor will tell you that Governments have failed to do their job of supporting victims of crime and their families.

Mrs Anne Main (in the Chair): Order. May I gently remind the hon. Lady that when she says "you" she is referring to the occupant of the Chair.

Esther McVey: I apologise, Mrs Main.

It is often charities and voluntary organisations that provide help and support to victims—often with no funding.

So far I have discussed procedural inequalities that need to be addressed, but I want to move now to consider policy areas. As times change, so must laws, to reflect the society and times we live in. I fully appreciate the delicate balance of laws, and the process of cause and effect involved in every situation when changes are made to them, but I do not believe that fear of upsetting the balance is reason not to change them. To the contrary, I believe that our society, with the increase in gang

culture and antisocial behaviour, needs law that reflects our times and the changes that have come about. I have three examples.

First, when the body of a murder victim is not discovered, despite a guilty plea, and the perpetrator never reveals its location, the family are deprived of a proper funeral, which leaves them unable to grieve properly; or they are left with the prospect of being confronted with the finding of the body in the future. I know that very few suspects have been convicted of murder in the absence of a body, but some have, and have never revealed where the body is. Would it be possible to charge someone with an extra offence of non-disclosure of the whereabouts of the body? Otherwise the coroner is deprived of the opportunity to do his job properly, and the family are deprived of the opportunity to mourn the loss of a loved one.

Secondly, a person who has been found guilty of a crime can be given the option to appeal against conviction or against the length of sentence, although the grounds for appeal may be arguable. I recognise that the appeal process is an important part of the judicial system, but I do not believe that victims' rights in that situation are given enough consideration. Not only do they go through a distressing, lengthy process; they may go through a second. I wonder whether we could have a law of malicious appeal, to extend the sentence for people who have been found undeniably guilty and who raise an appeal that will fail, to focus the mind of anyone who brings such an appeal. Thus real appeals would go forward, but appeals that would not be deemed so would not.

Thirdly, there are cases when a gang has killed a person—and I want to refer to Andrew Jones, the young boy murdered by a group of teenagers, none of whom has ever been sentenced. I want law makers to think seriously about increasing the use of joint enterprise sentences, by which a group could be sentenced, rather than all walking free. The law exists, and could be extended. At the same time, there is a need for education in schools on joint enterprise, and a clear understanding that, should anyone participate in crime in a gang, with the intention to act as a gang, those involved would be sentenced as a gang and held responsible for their joint actions. I appreciate that we do not want miscarriages of justice, but the law needs to be modernised to accommodate the culture and climate in which we live.

Andrew Percy (Brigg and Goole) (Con): I congratulate my hon. Friend on securing the debate. She talked briefly about the role of education. Does she agree that there is a broader issue about how young people interact with the criminal justice system? In my previous profession I saw many young people come into contact with the system at a young age, but they ended up on a kind of rollercoaster or in a revolving door, as nothing was ever done, so their behaviour got progressively worse.

Mrs Anne Main (in the Chair): Order. Will the hon. Gentleman keep his remarks brief, as this is a half-hour debate and I am sure that the Minister wants to respond.

Andrew Percy: Of course; thank you, Mrs Main.

Does my hon. Friend agree that we need closer working between schools and the judicial process, to get the messages out to young people properly?

Esther McVey: I thank my hon. Friend and entirely believe that that is the case. There is a need for education about responsibilities and the consequences of actions. Something that is frequently highlighted is the fact that the kids of the street know their rights but do not take care of their responsibilities to themselves or their community. We need to tell them that brutal, marauding gangs will not go unpunished. A clear message needs to go out that silence and non-co-operation, so that an ultimate perpetrator cannot be found, will not preclude a conviction.

So why are we here today? I acknowledge the current support systems, but the Government can and should do more to help the victims of crime, and their families. The effect of a loved one dying can be devastating for a family. It can be worse if the person's life is taken suddenly, by a member of the public, who might be known to the family and live close by. It can be made much worse when the convicted prisoner is released from prison early, or when they can appeal against the court's decision, or plead guilty for a lenient sentence. Not only do victims' families go through an ordeal in coming to terms with their bereavement; they are often let down by the judicial system, which adds further to their pain and suffering. A life has still been taken, and a sentence should reflect that, guilty plea or no guilty plea.

The British crime survey reports that provisional data show that police recorded 615 incidents of homicide in 2009-10, and 588 attempted murders, which is a 2% increase on the previous year's figures. According to the figures I read out earlier, provided by the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon, the amount allocated to fund third sector services for families bereaved by homicide is £270,000. If that sum is divided by the number of homicides for 2009-10 it gives £439.02 for each family. If that is divided between an average family of four, it means each member would get just £109 for the loss of a loved one. That is without the extended family. That seems a very small sum of money, especially as many family members need time to come to terms with the loss. It is no wonder that the British crime survey found that only 59.4% of people thought that the criminal justice system was, as a whole, fair. Even more worrying is the fact that only 40.7% believed that the criminal justice system as a whole was effective.

The perpetrators of crime should not be allowed to get away with those procedural differences and to capitalise on policy differences. We need a law that reflects the society we live in today.

1.49 pm

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): I congratulate my hon. Friend the Member for Wirral West (Esther McVey) on securing this debate. I am well aware of the valuable work that she has done on the rights of the families of victims of crime. The matter is complex and difficult to cover in debate, and my hon. Friend was extremely generous in giving way. Some interesting points were raised during those interventions, and I shall pick up on those before coming to the substance of my reply.

My hon. Friend the Member for Dartford (Gareth Johnson) made an interesting point about the families of victims in youth courts. We are looking for a much

[Mr Crispin Blunt]

more restorative system, and it would seem rather peculiar if we were to exclude victims from the resulting court process. We shall certainly want to consider that idea. My hon. Friend the Member for Gillingham and Rainham (Rehman Chishti) spoke about victim impact statements and I shall return to that point in the main part of my remarks. I note the sensible suggestion by my hon. Friend the Member for South Northamptonshire (Andrea Leadsom) about a requirement for two post-mortems immediately. It is certainly one that we will ask to be examined.

My right hon. Friend the Minister for Policing and Criminal Justice made considerable time available to meet my hon. Friend the Member for Wirral West and Families Fighting for Justice, the support group from her constituency to which she referred. Mrs Jean Taylor followed up that meeting in a letter to my right hon. Friend, which covered personal suggestions from members of that group. I do not have time to refer to all those letters, but I shall read an extract from a letter from A. Williams, who said:

"What would the government think of prisoners of murder or manslaughter paying compensation to the victims families from the wages that they earn in prison…The victims human rights were taken away the day that they were killed and the families certainly do not get justice, we live a life sentence until we go to our graves, (not just for the term of a prison sentence), it breaks up families, it makes us ill and won't let us out of the dark place that we live in. Instead of us working and paying taxes to feed the prisoners and giving them privileges would it not be better if they worked to give us, the victims families something back. It works in other countries, why not here?"

In that suggestion, there are some important principles about restoration from offenders to victims—ones that my hon. Friend will have heard in the Justice Secretary's speech at the Conservative party conference. We are actively exploring them, which I hope will bring some comfort to the members of Families Fighting for Justice.

Crime can have a devastating impact, not only on the victim but on the victim's family and loved ones. Support is given to the families when the crime has been extremely serious—when a victim has died, or when the victim is young or vulnerable. I give my deepest sympathies to those who have suffered such a bereavement, or who have been through the trauma of caring for a vulnerable victim of crime. It is in such terrible cases that the families play their largest role in the criminal justice system, and it is in precisely those cases that guidance, participation, and practical and emotional support are most vital.

The Government are committed to placing victims and their families at the front and at the centre of the criminal justice system. We are committed to ensuring that criminal justice agencies work to help families through the process; we are committed to providing families with a voice in the criminal justice system; and we are committed to providing them with the support and help that they need to deal with the consequences of crime.

Stephen Lloyd (Eastbourne) (LD): Will my hon. Friend give way?

Mr Blunt: I shall not give way, if my hon. Friend will forgive me, as I am short of time.

To those who have never had dealings with it, the criminal justice system can seem daunting. That is especially true for victims and their families, as they are already suffering the emotional distress of crime. Dealing with the various agencies—the police, the Crown Prosecution Service, the courts and probation—can seem confusing, but we have been working hard to ensure that the system provides the families of victims with the support that they need. A number of schemes have been designed to help guide victims and their families through the process, from the pre-charge and police investigation stage, through sentencing to the parole and release of the offender. Considerable support is available from witness care units, family liaison officers and the victim liaison scheme.

Witness care units are the result of collaboration between the police and the CPS. They provide dedicated teams in each area, and their function is to keep victims and witnesses—and in serious cases, their families—updated on the criminal proceedings. They are staffed by police and CPS officials, and work closely with both agencies. Witness care units serve as a single point of contact from the charging of the suspect to the conclusion of the trial. They are responsible for ensuring that victims know whether they must attend court; they inform victims if there are any changes in proceedings; and they are the first port of call for victims and their families if they have specific questions. Witness care units deal with the vast majority of cases that progress past the decision to charge.

In more serious cases, such as homicide or sexual violence, or if the victim is under 18, the police will often assign a specialist family liaison officer. That person is a specially trained police officer, who acts as a single point of contact for bereaved families. That officer will be on call to answer questions, to explain the process and to support the family until the trial, providing dedicated, one-to-one support.

We are well aware, however, that the needs of victims and their families do not disappear the moment that a judge hands down a sentence. Families of homicide victims or vulnerable victims often want to be kept updated with the progress of the offender's sentence. They want to know whether the person who has caused such distress is awaiting parole, or being released on licence. The victim liaison service provides victims with a means of being kept informed as the offender's sentence progresses, and of opportunities to make representations on issues relating to their safety in the event of the prisoner being released.

The victim liaison service is the responsibility of local probation trusts, which have a statutory duty to identify and contact the victims of offenders convicted of violent or sexual offences who are sentenced to imprisonment for 12 months or more, and the victims of certain mentally disordered offenders. Victims who want to be part of the scheme are allocated a dedicated, specially trained victim liaison officer. That officer listens to victims' concerns, and may be able to provide information on other local services. If victims take up the service, they will be told about the offender's sentence and what it means, and updated on key developments in the sentence such as if an offender is moved to an open prison or released. When an offender is coming to the end of the sentence, the victim or the victim's family can raise any concerns about the release; they can also

request licence conditions, such as those forbidding the offender to contact them or enter the area where they live.

On giving the families a voice, it is important not only to help families through the process and keep them informed but to give them the opportunity to become involved if they wish. This country has a system of common law that pits the accused against the state. Unlike in some civil law systems, in ours victims and their families are not automatically a party to a criminal trial. Here, the state brings the charges, the state prosecutes the accused and the state ensures that the sentence is carried out. However, it does not mean a victim or the family should be excluded from the process. We should operate a system under which we do things with victims, not to them.

When courts are considering sentencing, victims and their families should be heard, and the often terrible consequences of the crime upon families should be considered. To that end, families are able to make a victim personal statement. That statement was first piloted in 1996, and has since been implemented nationally. It works like a witness statement, and is usually collected by the police. It provides the victims or, in the case of homicide, the victim's family, with an opportunity to describe to the court the impact of the crime upon their lives. Seriousness has two components—harm and culpability—and if the personal statement shows that significant harm was caused to the victim, the sentencer can decide on a higher level of seriousness.

Esther McVey: I know that we are in the closing minutes of this debate, but may I ask that the procedural and policy changes mentioned today are considered in your review of the justice system?

Mrs Anne Main (in the Chair): Order. I remind the hon. Lady that it is not my review of the criminal justice system but the Minister's.

Mr Blunt: I am grateful, Mrs Main, for that clarification. My hon. Friend is aware that because of her generosity in taking interventions I shall not be able to finish my prepared remarks. However, I shall consider carefully what she has said. Indeed, she has repeated here the points that she made directly to my right hon. Friend the Minister for Policing and Criminal Justice, so they are already included in the process and are being considered.

I was going to speak about Victim Support's homicide service, an important development that began in April this year. We hope that it will provide a high-quality service that reflects the wishes and needs of the bereaved. We are reviewing the services currently available to witnesses, victims and their families in the criminal justice system. As part of our commitment to restorative justice, and to the big society, we want to ensure that victims are a focus not an afterthought.

2 pm

Sitting adjourned without Question put (Standing Order No. 10 (11)).

Westminster Hall

Wednesday 13 October 2010

[MR JAMES GRAY *in the Chair*]

Housing Benefit

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Goodwill.)*

9.30 am

Margaret Hodge (Barking) (Lab): I am very grateful, Mr Gray, to all the right hon. and hon. Members who have joined me today to take part in a hugely important debate on what I consider to be the Government's very ill-conceived plans to slash housing benefit for the poorest families in the poorest communities—plans that will inevitably force thousands of people to leave their homes, their families and their friends as they try to find an affordable roof over their heads and the heads of their loved ones. In my view, the Minister of State, Department for Work and Pensions, the hon. Member for Thornbury and Yate (Steve Webb), can feel nothing but shame at having to come to Westminster Hall to defend such ill-conceived proposals. With his background and knowledge, he should know better.

When we last debated this issue, my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) eloquently outlined the devastating implications of the Government's plans. In addition, we have all been provided with evidence on the impact of the proposals by my hon. Friend the Member for Westminster North (Ms Buck), whom I congratulate on her well deserved place on the Opposition Front Bench, and by the research carried out by a range of organisations working in housing.

The Government's proposals on housing benefit have to be considered alongside the other proposals that were announced at the Conservative party conference last week: the capping of all benefits that a family can receive at £500 a week and the ending of the universal child benefit. All of that comes on top of the housing benefit cuts set out in June and the cuts to child tax credit, maternity allowance and the child trust fund.

The Minister of State, Department for Work and Pensions (Steve Webb): I am grateful to the right hon. Lady for giving way and I congratulate her on securing this debate. Because I am sure she wants to be part of a responsible Opposition, I think it might help our discussion if, in her remarks, she set out the alternative proposition. Is it her position that rents and housing benefit should simply be uncapped and that people on benefits should be able to choose to live wherever they want to, without any limit being imposed, or does she accept the principle of a cap?

Margaret Hodge: As the Minister will know, the Labour Government themselves set the housing allowance. The purpose of this debate is to demonstrate that the intent of the present Government and of the Minister himself will not be achieved by the proposals that he has put before us. That is what I intend to do this morning.

Emily Thornberry (Islington South and Finsbury) (Lab): Given that we are talking about intent, does my right hon. Friend agree that it is possible that the Government's intent is not fairness and that, instead, as we are told a senior Minister has said, this is all about highland clearances?

Margaret Hodge: I agree entirely. There are several quotes in the press from senior civil servants demonstrating that they think the proposal will create the greatest dispersal of families that has been witnessed probably since the 19th century. Perhaps that is part of the political intent of the Government.

In my view, the litany of cuts that I have outlined—all of them, not just the housing benefit cuts—represent an historic assault on the poorest families in the poorest communities, which I think even Baroness Thatcher would have considered to be a bridge too far.

Mr Andy Slaughter (Hammersmith) (Lab): I am glad that we have reached that point so early in the debate. Does my right hon. Friend agree that we seem to have moved from a position where the proposals look like ill-thought-out budget cuts to a position where they look like a deliberate policy to socially cleanse the poor from central London, which the Minister is defending? We have already seen that process in Hammersmith, with the demolition of council estates. The proposals will ensure that, for ideological and electoral reasons, it will no longer be possible for the mixed communities of London to continue to exist as they have for centuries.

Margaret Hodge: I agree entirely with my hon. Friend. In my view, the process is much more about political engineering than it is about achieving sensible reductions in public expenditure. I shall talk about the impact that the proposals will have in my constituency and the borough of Barking and Dagenham. In doing so, I hope to expose the flaws in the Government's argument and what I think is the shameful agenda that they are, in fact, pursuing.

The Minister claims that the policy objective of the cap on local housing allowance—setting that cap at 33% of average local rents—linking housing benefit to the lower consumer price index rather than the retail price index and capping the total benefits that workless households receive, is to drive down rents. Let me tell him that he will not achieve his objective. His policies will not drive down rents. What they will do is drive out families—drive them in their droves out of the inner-London constituencies where they live to constituencies such as my own in the London suburbs.

Let us consider the facts—these are the facts from the Department for Work and Pensions, not my facts. In Brent, 9,650 families will lose from £18 a week to £160 a week and the families who will lose the most are those with the most children. In Hackney, 16,440 families will lose from £13 a week to £125 a week, and again the families who will lose the most are those with the most children. We can also take the example of Camden, where 2,940 families will lose from £20 a week to £262 a week, and yet again the families losing most are those with the most children.

It is simply nonsense to believe that the rents in Brent, Hackney or Camden will go down. A survey by London Councils found that 60% of landlords who are

[Margaret Hodge]

renting to tenants in receipt of housing benefit would not be prepared to reduce their rent by even a small amount if their tenants could no longer afford to pay the existing rate because of the reduction in local housing allowances. More than 90% of landlords said that they would try to evict a tenant or refuse to renew their contract if the tenant fell into arrears, if the shortfall in rent was more than £20 a week. Those landlords know that their properties will not lie empty. We all know that there is a massive shortage of housing in the capital and we know that, with the drying up of the mortgage market, more people are being forced into the private rented sector, which in turn increases demand in that sector. We know that the buy-to-let market is booming, because investors can get a good return on their properties. Landlords will not lower their rents, but poor people will be forced out of their houses.

Do not just listen to me on this subject—listen to Boris Johnson, the Conservative Mayor of London, when he says in the briefing that he prepared for today's debate that the Government's proposals will lead to

"the loss of the private rented sector as a major safety net for London boroughs".

He continues:

"We expect landlords to leave the housing benefit market due to the perceived instability of housing benefit in the short and medium term".

Those are Boris Johnson's words, not mine.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): I am grateful to my right hon. Friend for giving way and I congratulate her on securing this debate. I very much want to reinforce the points that she is making. The private rented sector is absolutely vital to meeting housing needs in London. During the past 15 years or so, that sector has begun to recover from very low levels seen in the late 1980s. The real damage that could be caused by these maladroit and ill-considered housing benefit changes could well destroy confidence and take away a large quantity of housing that otherwise would be available to meet the needs of Londoners.

Margaret Hodge: I bow to the huge experience and knowledge of my right hon. Friend and I agree entirely with his analysis of the likely impact of the changes that the Government are proposing to make.

In my constituency, all 3,810 households that currently receive local housing allowance will already lose out because of the housing benefit cuts that will come into effect next year, so they will experience additional hardship as a result of those cuts. Because rents in Barking and Dagenham are currently lower than in the inner-London boroughs, private tenants in the borough will not be hit as badly as those in central London, where rents are the highest in London, but as inner-London private tenants are forced to find a home in outer London, rents will inevitably be driven up in the outer-London boroughs. More demand on limited supply will be a double whammy for the people of Barking and Dagenham. Has the Minister commissioned any research to understand better the potential impact of his proposals on rents in outer-London areas such as Barking and Dagenham? If so, will he place that research in the Library?

We know from anonymous quotes in the press that civil servants are telling Ministers that the proposals, as my hon. Friend the Member for Hammersmith (Mr Slaughter) said, will lead to the biggest population movements experienced since the industrial revolution. Even at her worst, Shirley Porter deported only 1,000 people out of Westminster, yet this Liberal Democrat Minister is deliberately forcing tens of thousands of families out of inner London, in a shameful act of social engineering and political gerrymandering that will damage our communities irreparably.

Bob Russell (Colchester) (LD): The right hon. Lady rightly draws attention to the problems. Does she agree that the provision of council housing is one way to address supply and demand, and can she inform us how many council houses were built during the 13 years of Labour Government?

Margaret Hodge: I accept the point that insufficient priority was given to the building of council houses under the Labour Government, but we must deal with the situation in which we find ourselves. Making the position worse by deliberately forcing the poorest families out of the only homes that they can find is an outrageous and cruel act of public policy.

Does the Minister accept or even understand that if the reforms proceed, inner London will become a no-go area for the poorest people in our communities? What will be the further impact on my constituency? He knows well that changes in housing tenure over the past 20 years, since the introduction of the right to buy, have created deep social tensions in Barking and Dagenham as new people have moved into the borough and established residents have become unable to secure homes for their sons and daughters. The extreme right and the British National party tried to exploit people's legitimate frustrations for divisive and evil political ends. We saw them off, but this Government's housing benefit policies will inevitably reignite those tensions as private tenants from inner-London boroughs compete for homes with established residents of Barking and Dagenham. Has he considered at all the implications for social cohesion of his short-sighted reform proposals?

Has the Minister also considered his policies' impact on local authority services? If Barking and Dagenham suddenly experiences an influx of literally thousands of families, what will that do to local schools and hospitals, to special educational needs provision and to child protection services in the borough? The proposals will place an unacceptable strain on local authorities in the more deprived outer boroughs—authorities that are already struggling to meet their communities' needs in areas such as housing and education while planning to meet the 25% to 40% cuts that will be forced on them by the comprehensive spending review announcements next week.

In education, for example, Barking and Dagenham is already facing the huge challenge of keeping up with the pace of demographic change. Demand for primary school places is a particular problem not only for my constituency but across London. As it is, the local authority is having to create hundreds of new reception places every year—337 extra primary school places are needed in 2011 and 247 in 2012—and does not have

sufficient funding to meet projected demand. The borough simply cannot cope with further significant levels of inward migration.

Barking and Dagenham council already has a housing waiting list of more than 11,000. That waiting list will only grow longer as more people move into the area and more households seek to be housed by the local authority because they have been priced out of the private sector.

Mr Slaughter: As my right hon. Friend may know, that is already happening. Kensington council is urging people to move out before the rush starts. Hammersmith council is urging overcrowded families to give up their secure and assured tenancies and to move into the private sector and rely on housing benefit, without telling them that they will then have to leave the borough next year when that benefit is cut.

Margaret Hodge: That is outrageous. I must also tell the Minister that I am absolutely convinced that within a year or two, boroughs and authorities such as Kensington and Chelsea or Hammersmith, from which families move out to areas such as Barking and Dagenham or Tower Hamlets, will cease to take responsibility for providing all the other local authority services that those families will need. They will then be an additional burden on those local authorities.

Who will foot the bill for social services and support for those families? They are already on the edge, and they are bound to make greater demands as they are uprooted from their inner-London homes and lose their links with the local services on which they depend. Has the Minister properly considered the impact of the proposals to cut housing benefit on the demand for other local authority services? Has he received advice on whether the proposals will increase homelessness and child poverty, as I believe they inevitably will?

The reforms will not achieve what the Government claim, but that is only half the story. The truth is that the Government want to drive low-income families out of inner London and other wealthy areas. London Councils estimates that at least 82,000 London households will find themselves in that position, and that is without taking into account the impact of the measures announced at the party conference last week. People will not have the option to move to a cheaper property in the same area because there will be none, unless they are prepared to downsize and move into overcrowded accommodation. They will have no choice but to move to areas where rents are more affordable. That will be a tragedy for families and communities. It is completely wrong of the Government to implement such a policy, with the full knowledge of the demographic upheaval that it will cause, and to leave local authorities to cope with the consequences.

We will also lose the diverse communities and social mix that have been a part of London's character for generations. Central London will become the home of young professionals and the very well-off who, conveniently, can be relied on to vote Conservative. Those struggling on low incomes will congregate in the outer boroughs, which will become more disadvantaged, overstretched and troubled. The reforms will cause suffering and push more families into poverty by forcing them to contribute more of their income to housing costs. Members of all parties recognise the need to reform housing benefit, but this is not the way to go about it.

The reforms have not been properly thought through. They have the potential to cause hardship of a kind not seen since the creation of the welfare state, and they have been informed by a disgraceful political calculation. How a Liberal Democrat can attempt to defend them is beyond me. What evidence do the Government have to support their claim that the new cap will reduce rents in the private sector? What additional resources will be made available to help local authorities such as Barking and Dagenham cope with any significant increase in inward migration? Finally, how will the Government keep their promise to eradicate child poverty, given the hardship that their policy will inflict on low-income families?

9.48 am

Bob Russell (Colchester) (LD): I congratulate the right hon. Member for Barking (Margaret Hodge) on securing this debate. I am not here to defend the proposals, but I will be consistent with my position during the 40 years of my public life, the past 13 of which I have spent as a Member of the House. If only the present Opposition had been consistent with the views that we are now hearing during their 13 years of Labour rule, perhaps we would not be in this situation.

The right hon. Lady and her colleagues might wish to know that in 13 years of Labour Governments, 6,470 council houses were built. In the first 13 years of the previous Conservative Governments—I am using the same number of years—the figure was 507,200. Labour's total, as I said, was 6,470.

Jeremy Corbyn (Islington North) (Lab): How many social houses were built?

Bob Russell: The hon. Gentleman has asked how many social houses were built. If we factor those figures in, the number is still considerably lower than that achieved during the 13 years of the previous Conservative Governments. Presumably, the right hon. Member for Greenwich and Woolwich (Mr Raynsford) can give us chapter and verse about how successful the housing association sector is, an issue on which the Government in whom he served failed so lamentably.

Mr Raynsford: Will the hon. Gentleman tell hon. Members about the state of the social housing stock in 1997, the condition of the properties in which people were living, the extent of the backlog of disrepair that had to be dealt with and the scale of the renovation programme—the decent homes programme—that was put in place by the previous Government, which has improved the living conditions of millions of people in this country? Why is he being so churlish about that?

Bob Russell: The right hon. Gentleman is correct about the inheritance of the new Labour Government, but that makes their concentration on one aspect of housing just as bad. I am not saying anything new; these are points that, as *Hansard* will confirm, I put to the then Prime Ministers Blair and the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), as well as to Prescott when he was in charge of council housing—or rather non-council housing.

In the years of plenty when the economy was thriving, new Labour should have emulated what Clement Attlee did in 1945 after six years of war: introduced a house

[Bob Russell]

building programme to house the poorest people in the land. It did not do that. The poorest people were among those the party turned its back on, which is why it lost 5 million votes at the last general election.

Sheila Gilmore (Edinburgh East) (Lab): I agree that we should have built more houses—I have always said that—but is the solution to this problem to introduce changes to housing benefit that will affect current tenants and will not result in any more houses being built? The savings generated by the cuts will not be ploughed back into building housing, which might have made such cuts more tolerable, so how can these changes be justified on the basis that not enough houses have been built?

Bob Russell: If the hon. Lady had been paying attention, she would have noticed that I opened my remarks by saying that I am not speaking in defence of the coalition Government's proposals—anything but. I am just setting the scene by pointing out that the problems are inherited. I do not agree with how the matter is being dealt with, but Her Majesty's official Opposition should not come here today and pretend that they are the saviours of the social housing market, given that the record shows that they built only—let me repeat the figures—6,470 council houses in 13 years, in contrast with the previous Conservative Government, who built 507,200 in their first 13 years.

Let me now say that I do not agree with the proposals on housing benefit. I know that the Minister will be aware of them, but I draw his attention to the gospels of Matthew, Mark and Luke—particularly Matthew chapter 19, verses 13 to 15, Mark chapter 10, verses 14 to 15, and Luke chapter 18, verses 15 to 17, which includes the phrase "suffer little children." I do not want this coalition Government to make children suffer, but that is what will happen as a result of the proposals on housing benefit. I wish to put it on the record that I have already initiated one debate on child poverty in this Chamber since the general election. Another record for the previous Labour Government is that they left 3.9 million children living below the official poverty line. What an appalling legacy. I do not want that figure to increase; I want it to be eliminated.

I am grateful to the Local Government Group, particularly Mr Ben Kind—the public affairs and campaigns manager—for sending me a briefing in advance of today's debate. That document states:

"The housing benefit measures announced in the June 2010 budget, including capping local housing allowance rates, paid to tenants in the private sector, and setting them based on the 30th percentile of local rents, are likely to increase homelessness costs, since they will diminish the willingness of private rented sector landlords to let to housing benefit customers. This will have hugely variable and disproportionate effects on different parts of the country."

On the local housing allowance, the briefing points out:

"Councils will continue to have a duty to house those who are homeless and this will be a challenge to council homelessness budgets. Although the precise extra cost is still hard to estimate, temporary accommodation costs seem certain to be higher."

I know that from my own constituency of Colchester. It is a relatively prosperous town in a relatively prosperous part of the country, but there are pockets of deprivation. The simple fact is that housing a homeless family is far more expensive for the public purse than putting them in a proper, decent house.

I refer colleagues to the full debate that I had on child poverty, in relation to which I was contacted by the Child Poverty Action Group. In that debate, I pointed out that it is no good for any Government, either this Government or the previous Government, to come up with wondrous schemes and policies for the betterment of people if the basic pieces of the jigsaw—the framework and the corners—are not in place. Such a basic building block is a house. If children do not have decent housing, the rest of the Government's proposals are almost meaningless.

Social housing is already extremely scarce—I have mentioned the failures of the previous Labour Government—and an increase in the number of people who are priced out of privately rented housing will place additional demands on housing stock. Meanwhile, the increase in the non-dependant deduction could have a negative effect on family and community stability to the extent that young adults feel that they have to move out of the family home. That could have the adverse effect of encouraging the concealment of the presence of and incomes of some family members, which will add to the level of fraud and error in the system.

I do not wish to defend the relatively small number of people in society who abuse the system. Unfortunately, the *Daily Express* and the *Daily Mail* think that everybody on housing benefit is abusing the system. The minority who do are destroying the case for genuine people who are not defrauding the system, but who are depicted as scroungers. Of course, we need to tackle that problem, but we must not alter the whole system to deal with just a few scroungers.

Jeremy Corbyn: I am interested in that point. Does the hon. Gentleman accept that the biggest scroungers are the private landlords who are charging absolutely exorbitant rents for appalling properties that they do not maintain? We—the public—are paying for that. Is it not time that we got real and dealt with the issue of the conditions of the private rented sector and the rents that are charged? We should start bringing in controls. Attack the landlords, not the tenants.

Bob Russell: Let us put on the record that there are some very good landlords. Good landlords would endorse the points that have just been made. It is the rogue landlords—those who exploit their fellow human beings—who we need to deal with. Successive Governments have failed to address that matter.

I come back to the question of supply and demand. Thirty years ago in Colchester, there was no such thing as homelessness. People could be guaranteed a council house within six months to a year, depending on their location of choice. The right to buy was not the real problem; the real problem was the failure to replace with new stock the houses that had been sold. Successive Governments failed to deal with that.

It has been said that we must not use extravagant language and say that the proposals will result in the biggest forced social movement of people since the highland clearances because that is emotive and there is no comparison with that situation. I do not wish to give any comparisons of that sort; it would be wrong to do

so. However, it is a fact that if there are benefit changes and the housing cap goes through, the forced migration of whole communities—or a large number of people from a particular community—will take place. Families, pensioners and children will be removed from the communities in which they grew up. That will have a devastating effect on their lives. I want to concentrate on the effect on children because, as I am sure colleagues have realised, I have been picking up on that angle since the general election.

Emily Thornberry: I agree with the hon. Gentleman that it is unfortunate when extreme language, such as the reference to the highland clearances, is used. However, did he read in the papers at the weekend that a senior Conservative Minister in the Government described the policy as exactly that? They said that we will not have seen anything like it since the highland clearances. Such references are emotive, but they may be entirely descriptive.

Bob Russell: I do not think that our Scottish colleagues would accept that comparison, but the point being made is that people will be forced from their homes against their will. In the previous debate that I secured, I referred to that as economic cleansing. Of course, those families that stay put in their houses and struggle on with higher rent will have less disposable income to spend in local shops and on local services, which will have an impact on their local economies.

Children will be forced out into the suburbs or elsewhere, and it is important to remember that this is not just a city phenomenon, but one that can have an impact in rural areas. It will also have an impact on schooling, as there will be depopulated schools in some areas, because of the forced removal, and overcrowded schools in others, assuming that parents can find the places.

I know that other Members wish to speak so I conclude by quoting from one section of the excellent briefing that I was sent by Scope:

"An unemployed or low-income lone parent or couple with one child (or two children who share a room) is likely to lose around £500 a year once this reform takes effect…These reductions are likely to have a disproportionate impact on disabled people…those living in cities and urban centres with higher property costs—especially London—will be particularly affected…a reduction in the financial support that Housing Benefit provides will further reduce the number of suitable properties disabled people can afford, increasing the risk of them having to live in inappropriate housing, exacerbating their social isolation and dependence on other forms of support."

I recognise that the coalition Government inherited serious financial problems that they need to tackle, but nowhere in the coalition agreement does it say that poor families should be forced out of their homes or that children in disadvantaged families should be further disadvantaged.

10.1 am

Heidi Alexander (Lewisham East) (Lab): I congratulate my right hon. Friend the Member for Barking (Margaret Hodge) on securing the debate. She spoke convincingly about why the proposals are so misguided and I associate myself with all that she said.

I think that the Government's announced shake-up of housing benefit is well intentioned; they talk about reducing the welfare bill, getting more people into work and forcing private sector landlords to lower their rents. What is there not to agree with about that? However, anyone who has looked at the proposals will recognise that they are likely to have a devastating impact on families and communities up and down the country. Put simply, many decent, responsible people will struggle to keep a roof over their heads and will have to leave their homes.

As has already been said, in parts of the country, such as London, some high-rent areas will simply become no-go zones for people in receipt of housing benefit. Although, as the hon. Member for Colchester (Bob Russell) said, much is made in the right-wing press about work-shy households living in Mayfair mansions, the vast majority of those who will be affected by the changes will be pensioners, people with disabilities, people caring for relatives and hard-working people on low incomes.

Only one in eight people receiving housing benefit does so because they are unemployed. In Lewisham, 9,600 people who rent flats on the private market are in receipt of housing benefit. The proposed changes to how the benefit is calculated will mean that those residents will lose on average £17 a week, or £884 a year, from next October. That represents an overall reduction in Lewisham of £8.6 million.

Furthermore, some of the largest families in the largest properties will also have their housing benefit reduced from next April due to the introduction of the weekly cap. Those are not people who have money left over at the end of the week; they often struggle to make ends meet. They already often experience shortfalls between the housing benefit that they receive and the rent that they pay. Last Friday, a gentleman came to my surgery and told me that because he had to pay for his mother's funeral abroad, he could no longer keep up his rent payments. The Government's proposals will make situations such as his worse, and the problems that many families currently face in tackling the shortfall between the benefit that they receive and what they have to pay in rent will become even worse.

I accept that one of the Government's solutions for tackling that hardship is to increase the payments made to local councils for discretionary housing payments. I am seriously concerned, however, that the scale of that increase will not even touch the sides of the problem in my constituency. Will the Minister consider doubling the planned increase in DHP, and has any assessment been made of the amount of money that will come to London for that? I am aware that organisations such as London Councils believe that DHP should be increased by £19 million in the capital to address the unique complications of the private rented sector here.

The problem in London is complex. One of the major fears of my local authority relates to the knock-on effects of the introduction of weekly rent caps in expensive central London boroughs, which have already been mentioned. It has been estimated that nearly 10,000 households will have to move from the five most expensive areas in London to lower-cost areas as a result of the proposed changes, but if anyone in this Chamber thinks that areas such as Lewisham have spare flats with suitably low rent just lying around and waiting to be filled, they are sadly mistaken.

Only one third of rents in Lewisham's private sector are set within local housing allowance limits, and one third are already occupied by housing benefit claimants. Lewisham has 17,000 people on the housing register and more than 1,000 homeless households in temporary

[Heidi Alexander]

accommodation. My corner of south-east London will simply be unable to absorb a further increase in housing demand because the supply of homes is already so short.

The sad reality of the proposals is that they will actually reduce the amount of housing available to people in need. Research undertaken in London has shown that landlords are likely to withdraw from the market for housing benefit tenants for fear that people will default on their rent payments and because anticipated rental income will no longer cover their costs. My right hon. Friend the Member for Barking referred to a study that indicated that 90% of landlords would not accept shortfalls in rent of more than £20 a week and that they would evict tenants or bring tenancies to an end as a result, and 60% of landlords have indicated that they would not accept any shortfall. However, I understand that landlords are saying that they would consider lowering their rents if housing benefit could be paid to them directly. Will the Minister consider reintroducing the direct payment of housing benefit to landlords?

Will the Minister outline what support he intends to provide to councils to deal with the problem of increased homelessness? Like many of my colleagues who have spoken this morning, I cannot see how the changes will not result in more and more people being priced out of their homes. Will he commit to maintaining and increasing the homelessness prevention grant, which will help local councils with the additional work that the proposed changes to housing benefit will undoubtedly create?

In conclusion, I urge the Government not to proceed with the proposals and to think hard about whether they fit with the claim that we are all in this together. Are they not, in effect, a vicious attack on some of the poorest and most vulnerable members of society? One of the solutions to reducing the housing benefit bill must be to build more social rented housing. I accept that more could have been done on that over the past 13 years, but as my right hon. Friend the Member for Barking has already said, the housing sector was facing huge challenges when the previous Government came to power in 1997.

What discussions has the Minister had with his colleagues in the Department for Communities and Local Government about the new supply of affordable homes? My concern is that some of the wider changes being made to the planning system, along with the reduction in capital grant available though the Homes and Communities Agency, will mean that those new homes simply will not be built.

Finally, the idea that the proposals will somehow miraculously get people into work is laughable, and the assumption that private sector rents will be lowered is deeply flawed. The proposals may well reduce the welfare bill, but at a huge cost to my constituents, who are already struggling hard to make ends meet.

Several hon. Members *rose—*

Mr James Gray (in the Chair): Order. Five Members will be trying to catch my eye in the 20 to 25 minutes that we have available. It would be helpful if those giving speeches tried to keep their contributions as short as possible.

10.10 am

Jeremy Corbyn (Islington North) (Lab): Thank you, Mr Gray. I will be brief so that everyone can contribute to the debate.

I welcome the debate and congratulate my right hon. Friend the Member for Barking (Margaret Hodge) on securing it, on what she said this morning, and, in particular, on her successful annihilation of the British National party in the general election, which she did on behalf of all of us.

As Members know, I represent Islington North, which is an inner urban constituency. It is perceived by the *Daily Mail* and *Daily Express* to be the fountain of all things that are bad in our society. The perceptions are of liberal intelligentsia, cappuccino society and restaurants where new Labour used to meet. I personally have never had anything to do with new Labour whatsoever, so I take no responsibility for that.

Unfortunately, that image has placed itself in the public eye as being fact but, in reality, it is not. My hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) and I represent a borough which is the eighth poorest in the country. It has a large number of people living in council or housing association accommodation, a large number of people living in private rented accommodation, and probably one of the lowest levels of owner occupation in the country. I believe it is now down to about 30%, which is less than half the national average. The number of people living in private rented accommodation has gone up by a huge amount and now represents more than 30% of the population. They are not all on housing benefit, but some are.

The local authority has a huge housing problem to deal with, but, in the long term, it can be addressed only by purchasing existing properties and converting them into flats, where appropriate, and by building new properties where land becomes available, which is a huge problem in inner London. Indeed, during an earlier incarnation as chair of housing in Islington, my right hon. Friend the Member for Barking managed to secure the purchase of a large number of street properties which were then converted into flats and remain so, so Islington has many street properties. Also, she presided over a considerable level of council house building in the early 1980s, despite huge opposition from the then Conservative Government, so it is not that enormous efforts have not been made to try to address the issue of housing stock.

However, as in every other borough, nothing had been done in the way of major repairs before 1997 because of central Government cuts, as my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford) said. The council was reduced to doing repairs only if tenants took legal action against it to get them done, and that was normal throughout London at the time. I accept the criticisms made by the hon. Member for Colchester (Bob Russell) about the lack of new house building, but he should recognise the enormous repair problem that was left to the incoming Labour Government in 1997, and also recognise that decent homes standards have made a difference.

I have discussed the problems of housing benefit in countless debates; indeed, many Members in the Chamber today have taken part in them. This nation spends a vast amount of money on housing benefit, but I have

no problem whatsoever with the principle of it. I absolutely support it, and where housing benefit is paid to people living in council or housing association accommodation, it is all straightforward.

What annoys me beyond belief is when two successive families come into my advice surgery—I shall not reveal names, as that would not be appropriate—family A lives in a council flat and gets housing benefit for the full rent, which is around £100 per week, and family B, who could be living next door in an identical flat with identical social conditions, receives housing benefit of £250, £300 or £350 a week. Why the difference? It is because family B's flat was bought from the council under right to buy, possibly with a large discount. Someone is able to live off the private rent paid for by housing benefit. That is wrong, and the Government must deal with it, but the problem cannot be addressed by punishing the tenant or attacking people who are in receipt of housing benefit, which is exactly what the Government are trying to do by introducing a housing benefit cap.

What is likely to happen in my community and in the communities of others here today, particularly inner-London Members, is that large numbers of our constituents on a low wage, income support or jobseeker's allowance and in receipt of housing benefit, will be faced with a horrible choice. The housing benefit will be cut, but the landlord will refuse to lower the rent. They will then be faced with a terrible choice. Do they take the children out of school? Do they move away from the area where their family live, where they may be caring for an elderly relative, where they have community links, where they have their general practitioner or local hospital? They have that kind of social support network, but they will have to try to find a private rented flat somewhere else, some distance away.

Emily Thornberry: My hon. Friend speaks extremely well on behalf of Islington, but may I chip in with this? One argument put forward is that the housing benefit cuts will result in rents dropping, but may I point out to the Minister, who may not know this—I know that my hon. Friend does—that only 12% of Islington's private rental sector receives local housing allowance? Therefore, if the benefit were cut, the market would simply move on to other people. If we wish to push down rents in the private rented sector, we cannot do it by cutting housing benefit. I would suggest that the Minister listen carefully to my hon. Friend, because the points that he is making are extremely valid, particularly in respect of Islington.

Jeremy Corbyn: Absolutely. My hon. Friend understands the borough very well. That is the situation, and I suspect that it is exactly the same in Hammersmith and Fulham, Westminster and many other inner-London areas. There is enormous demand. This is a fast-growing, vibrant city where there is huge demand for private rented flats. The effect of the proposals will be social cleansing of the poorest people out of what are perceived to be high-cost areas. Like other boroughs, Islington is subject to the peculiar combination of being high cost but poor at the same time. That does not apply in the whole country, but it certainly does in London, and I hope that the Minister will at least begin to understand that.

Islington council cannot house all the people on the waiting list by any manner of means. There are 8,000 families on it at present, and serious overcrowding problems in existing council and housing association accommodation. A small amount of building has been started—I wish it well and welcome it—but I suspect that, after the Chancellor makes his statement, there will be an end to all council house building in this country, unless I have been misled by the media, which, of course, is possible.

I ask the Minister to look at the issue and deal with it in an intelligent, rational and humane way. He should not place a cap on housing benefit but instead look at the exorbitant private sector rents that are charged and introduce at least some form of appeal system against excessive rents. As my hon. Friend the Member for Islington South and Finsbury said, if people are moved out of private rented accommodation, somebody else on housing benefit or housing allowance will not be moved in. The property will be filled by someone from the open market, because that is the reality of the situation.

James Murray, the executive member of Islington council who deals with housing, made an excellent submission to the Work and Pensions Committee, in which he states:

> "Islington is a high demand area, with some of the highest private sector market rents...With over 8,000 people on its housing register, and demand for social housing far outstripping its supply, the borough relies heavily on the private rented sector to help house its residents."

Islington has placed, through the rent deposit scheme, large numbers of people in the private rented sector on an agreed rent, but all those arrangements will disappear. Islington has tried to co-operate with the private sector in doing that and calculates that,

> "Over the past 18 months 228 of the 422 households placed through the rent deposit scheme will be adversely affected by the caps."

The answer is to recognise the housing needs of people in London and the social damage of overcrowding and homelessness, not punish the tenants and victims, and instead—I agree with the hon. Member for Colchester—build as many properties as rapidly as we can and deal with excessive rents, bad conditions and bad landlords, of whom, unfortunately, there are still far too many all over London. It breaks my heart when people living in vermin-infested flats, which we the public are paying several hundred pounds a week in rent for, come to see me. Such tenants feel that they have no rights and feel excluded. Their children are suffering educationally, from overcrowding and everything else.

We need a decent, fair society. The Prime Minister claims that we are all in it together, but I do not believe that he really thinks that, because if he did he would be doing something about the disgraceful way that many private sector tenants are treated. Support the tenants; do not bail out the landlords.

10.21 am

Glenda Jackson (Hampstead and Kilburn) (Lab): I congratulate my right hon. Friend the Member for Barking (Margaret Hodge) on securing this debate. I am stunned that the Minister, who has, as my right hon. Friend mentioned, been sent here again to attempt to defend the indefensible, seems to have ignored previous

[Glenda Jackson]

debates on this issue. His response to the entirely justified criticism by my right hon. Friend was to try to move the debate, which was endorsed by the hon. Member for Colchester (Bob Russell), on to the failings of the previous Labour Government. It is almost impossible to believe that the Minister did not take on board the litany of facts and figures that were presented to him in this Chamber by the usual suspects, who are here. *[Interruption.]*

Jeremy Corbyn: I beg your pardon?

Glenda Jackson: I said "usual", not "old". *[Laughter.]* These hon. Members know, from first-hand experience in their own constituencies, precisely the depth of damage that will be inflicted on our constituents if these proposals go through without any reconsideration or re-evaluation of what is actually, practically, going to happen. If the Government are not going to listen to what the loyal Opposition are presenting to them in this respect, perhaps they will give consideration to organisations such as Citizens Advice, Crisis, Gingerbread and the Chartered Institute of Housing, all of which are saying that the housing benefit proposals will increase the amount of homelessness and that it is unlikely that they will save any money at all.

The amount of social disturbance that will take place is scandalous. Crisis predicts, as I have had occasion to say in this Chamber, that if the proposals go through there will be a vast increase in homelessness. However, there will still be a statutory responsibility for local authorities to house children, so we will go back to the bad old days of bed and breakfast. As Crisis says, it is the norm for bed and breakfast charges to be £60 a day for a room. How much will that save the country? Children will not only lose their homes, but lose their schools, friends and community support and will more than likely lose an immediate and direct medical service, so their parents will have to take them, should they be ill, to the local accident and emergency unit. How will that affect those boroughs to which these thousands and thousands of families are expected to move to reduce the rent they pay and to stay in some kind of reasonably permanent housing?

Citizens Advice has said that there is only a short time left for someone who will have to move out of their present accommodation if the changes are brought in. A family may be forced to change their accommodation twice in as short a space of time as three months. Citizens Advice quotes cases where this has already happened.

It is incomprehensible that the party that purported to be on the side of the weakest, poorest and most vulnerable in our society has signed up totally to the proposals on housing benefit. In one way I am surprised, but in another I am not. The Deputy Prime Minister, the right hon. Member for Sheffield, Hallam (Mr Clegg), who has become the Marshal Pétain of his generation, had the audacity to speak at the United Nations on the failure of countries infinitely poorer than ours to meet their millennium development goals on tackling infant mortality and reducing deaths in childbirth, but one of the first policies that he has endorsed will make women and children in this country homeless. He has also urged his colleagues, supporters and followers to enjoy their power. Will the Minister do that today? Will he enjoy the power that has been vested in him and use it to destroy families and communities?

My hon. Friends have already said that central London will become a no-go area for basic, usually very low-paid jobs, on which the whole of central London depends. I will be interested to see what happens in the Palace of Westminster if this measure goes through. It is highly likely that there will be a marked reduction in people keeping our offices clean, providing us with food and giving us the services on which we in the Palace of Westminster depend. If that situation is expanded across the whole of central London, what will we see? There will be fewer bus drivers and, certainly, fewer teachers. Teachers are already telling me that they cannot afford to buy and are finding it virtually impossible to rent. The Government argue that we have to attract foreign investment to give yet another kick-start to bring this country out of recession—although they have provided a gentle nudge more than a kick—but if this proposal goes ahead the very services on which this city depends simply will not be there.

It is utterly absurd to think that the outer London boroughs will be able easily to take up the thousands of people who will have to move out of central London—this is not an exaggeration, as the Minister must know—and meet their housing, educational, social and medical needs. Does he really wish to turn this city back to what it was under Thatcherite mark 1—he is signed up to Thatcherite mark 2—when people were living in doorways and slept for the night on gratings? Lincoln's Inn Fields, for example, was taken over by a tented community. That will be the result of this disastrous policy if the Government do not begin seriously to rethink what they are proposing. If they do not listen to Her Majesty's loyal Opposition, perhaps they will listen to organisations whose sole purpose in life has to do with helping provide people with decent housing. Then perhaps they will, for heaven's sake, rethink this disastrous policy.

10.27 am

Sheila Gilmore (Edinburgh East) (Lab): It is important to realise that issues to do with housing benefit do not just apply in London. I acknowledge that problems in London are great—far greater than in many other places—but the suggested housing benefit reforms will affect other parts of the country in ways that are similar, if not quite so grotesque.

In Edinburgh we will not be affected by the proposed cap. The local housing allowance is already beneath that cap. However, the decision to restrict the LHA to the 30th percentile will affect us, as will the decision to up-rate not according to what the market is doing, but according to the consumer prices index. The proposals will have an effect on the kinds of homes that people can find.

As it is, many people in Edinburgh who are receiving housing benefit or local housing allowance already meet a shortfall on their rent. Housing benefit is not just for people who are out of work, as some of the propaganda would suggest. Many people work and are able to stay in their homes only because housing benefit is available to them, even if it tapers off. Many people are already paying an excess out of their limited incomes

because they have not been able to find anywhere else within the LHA. The number of people in that situation will rise. That is a substantial financial difficulty. Some of my constituents are paying £10 or £15 a week out of a limited income just to top up their rent payments. That problem will become greater.

I live in a city with a large private rented sector. It is not as large as in Islington, but 20% of all households are in the private rented sector, which in Scottish terms is high. At the moment, around 18% of private rented sector properties are occupied by people who receive some housing benefit. There is ample scope for landlords, if they no longer wish to have tenants on housing benefit because of the lower local housing allowance, to find other tenants. There is a huge shortage of properties in the city and plenty of other people to fill them without landlords reducing rents. We are a high-cost city and a high-rented city. Students and young people will be able to occupy such properties; perhaps if they are sharing, they will be able to pay the high rents that a household could not meet.

There are other practical issues for people who must move that are not always taken into account. Some of us forget—I had almost forgotten until recently when someone came to see me and told me that she must move—the difficulty of finding a deposit. There are schemes to help people to provide a deposit, but they are limited and those in Edinburgh are very limited. For many people, finding enough money for a deposit to enable them to move is a huge issue. Many of us may believe that it is not that big a deal, but to find £400, £500 or £600 for a deposit, which may be low by London standards, is a lot of money for some people. There are practical issues that make it difficult for people to contemplate moving.

Glenda Jackson: The obverse is touched upon by one of the briefings from Citizens Advice. For example, in Brent, if a tenant, because of the changes in housing benefit, finds it impossible to pay their rent and loses their tenancy, they will also lose their deposit because the tenancy agreement is broken before the due date. The landlord wins all round.

Sheila Gilmore: That worsens the position.

In Edinburgh, if people with homes in the private rented sector, whether they are in work or not, can no longer afford such homes because they do not receive housing benefit, they will come to the council for help with housing. The council has already entered into lease agreements with landlords for around 1,500 to 1,700 properties to provide accommodation for people who have presented as being homeless. They are outside the local housing authority, and the rent levels are extremely high, which is a serious problem. That was intended to be a temporary expedient, but it has been temporary for five years, and the council has recently entered into another contract because it has little choice. The LHA cap will not apply, but if more people go into such accommodation and the council must take on more private leases to cover the situation, the real bill for housing benefit—we are always being told about the huge total of housing benefit—will be squeezed from one end and will push up at the other end. There will be unintended consequences.

Labour Members recognise that some of the changes and reforms, sometimes well intentioned, have had unintended consequences, and that should be taken into account before the changes go ahead. At the end of the day, the total housing benefit bill may not fall, despite the changes that will badly affect individuals, households and families. It is not good enough to say, "You didn't do enough about building housing, so we must do this." If the solution is to build more houses, build more houses. We did that, although they may not all have been council houses, as the Scottish National party said. It came to power saying that it was dreadful that we had not built any council houses, and that it would do so, but the total number built was exactly the same because it gave a little money to councils to build council houses but it took it away from housing associations that were building houses; the global figure did not change.

The answer is not to punish people for the failure of a policy. That is perverse. If there were even a suggestion that some of the money saved would go towards building houses, at least there would be some purpose in the argument, but I do not believe that that will happen. We have had no such assurances. From a perspective much further north than London, I agree with my hon. Friends that the reform is bad and will affect my constituents. I urge the Government, even at this late stage, to reconsider.

10.35 am

Simon Hughes (Bermondsey and Old Southwark) (LD): I thank the right hon. Member for Barking (Margaret Hodge) for introducing this important subject and congratulate her on her election success. Importantly, she saw off the British National party. I also congratulate the hon. Member for Westminster North (Ms Buck) on her deserved promotion, and I welcome my good and hon. Friend the Minister, whom I am sure does not have the attitude that our Opposition Friends are suggesting.

I shall not develop the argument, but there is an issue with the housing legacy. I understand the point made by the right hon. Member for Greenwich and Woolwich (Mr Raynsford), but the failure to build enough houses, particularly in London, left a terrible legacy for the new Government. We must be honest about that. The waiting list in Southwark is 15,000, and Labour Members cannot back off from that.

We must all face the fact that the population in London is rising significantly all the time, so the social challenge for the Government is extremely difficult. I am sure that it is not in their mind to drive people from one part of the country and forcibly to move them elsewhere, but there is a risk of unintended consequences. In the final week before the announcement of the comprehensive spending review—I know that some of the decisions on housing are not yet finalised—I want to take the opportunity to influence my hon. Friend and our colleagues through this debate and more widely to make the best possible decisions. There is clear evidence that forcing people away from their communities does long-term damage to children and the next generation in their relationships, and to the social fabric and community cohesion.

The campaign for homes in central London, with which I, the hon. Member for Islington North (Jeremy Corbyn) and others are associated, recognises that some people are born and brought up and have their home

[Simon Hughes]

and being in the centre of our cities. They should be able to expect to remain there, even if they are not on high incomes, which most of them are not.

I am conscious of the time, but I want to mention three acute issues. The first is the housing benefit changes planned for next year. The Budget statement in June proposed that housing allowance rates be capped in April. Secondly, from October next year, rates will be set at the 30th instead of the 50th percentile of local rents. The method of working them out is complex, but the previous Labour Government set up broad market rental areas, so that they are considered in the community context.

Thirdly, further down the track,

"Housing benefit awards will be reduced to 90 per cent of the initial award after 12 months for claimants receiving Jobseekers Allowance. This will be introduced in April 2013."

That policy is wrong. It is too inflexible and must be changed. One cannot presume that someone who has been trying to find work has not been able to do so because of their own failure, and that they must therefore move. The consequence of that and some of the other proposals risks forcing people from where they are, and by definition they then become a burden on the local authority if they are in any of the vulnerable categories or have priority needs. The problem does not go away; it simply moves, with trauma to those concerned.

What should our policy be? I can only summarise, but of course we need a policy that delivers more homes at affordable rents in London and elsewhere, including short-term homes, as other Governments have realised, perhaps on brownfield sites and the like. We absolutely need to make sure that empty homes are filled, and that people with spare space are encouraged to move so that that space can be released to others. We must not shake the security of tenure principle, because that is not the right approach.

We must ensure that we do not discourage people who are currently living in private rented accommodation from going into work because the rents are so high that should they start work, or should their partner come to join them, they might suddenly discover that they cannot stay in their property. That is a terrible failure which we must correct, and I have heard the Minister and other people say that they intend to do so.

In the view of London Councils—I stress that this is a cross-party view held not just by the Conservative Mayor but by all three parties that lead councils in London—there must be a review and change to the 90% rule, and a change to the rules currently planned for implementation next year. In its submission, which I hope the Minister has received and which I endorse, London Councils asks the Government to

"reconsider the level of the national cap in London and for the Central Broad Rent Market Area (BRMA) in particular"

and my own area. London Councils goes on to ask for the introduction of a transitional scheme. It also asks us to ensure that

"Current claimants...be subject to the 30 percentile change from April, but not to the national cap"

and that only new claimants who could find a property would be subject to the national cap. London Councils wants a progression—a transition—so that London has an opportunity to work out a solution with the Government, rather than be told the solution by the Government.

The June proposals were over-hasty and need to be revisited. They are not fair. I do not think that the Minister would want the Government to be known for a policy that was draconian and most adversely affected the poor and the disadvantaged. That is not the housing policy that he or I signed up to, and I hope that the Government will not sign up to it either.

10.41 am

Ms Karen Buck (Westminster North) (Lab): I congratulate my right hon. Friend the Member for Barking (Margaret Hodge) on securing the debate. She has done us a great service by setting out to the House the implications for those local authorities that are likely to receive people who move from higher-cost areas. Many of us, including me as a constituency MP, have focused on issues that will impact on the areas from which people will be moving, but we must understand the sheer scale and extent of the proposals.

Almost 1 million households will lose out as a consequence of the combined measures introduced in the June Budget. As was rightly pointed out by my hon. Friend the Member for Edinburgh East (Sheila Gilmore), that will have implications for the entire country. The measures will have the most extensive impact in London, but that will ripple through all local authority areas in the country, including a particularly sharp effect in the south-west, Bristol, Brighton, Cambridge, Oxford, Edinburgh and parts of the north-west. Although London is at the sharp end of the proposals, it is not exclusively affected.

We heard powerful and well informed speeches from across the Chamber, and particularly from those hon. Members who will see the impact of the proposals. My expert and right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford) spoke about the potential damage to the private rented sector, which is a valid point. My hon. Friend the Member for Lewisham East (Heidi Alexander) spoke correctly about how the image of work-shy households in Mayfair mansions is completely contradicted by the lived experience of the overwhelming majority of people who claim local housing allowance. She and others mentioned the fact that in east or south-east London, and many other parts of the country, there are no rooms or houses to spare to absorb that movement.

My hon. Friend the Member for Islington North (Jeremy Corbyn) talked about the sometimes perverse consequences of the right to buy, a popular policy that delivered much to those who benefited from it, but which down the line has contributed to some of the problems. In yet another extraordinarily powerful speech, my hon. Friend the Member for Hampstead and Kilburn (Glenda Jackson) talked about the impact of dislocation on households and children. The hon. Members for Bermondsey and Old Southwark (Simon Hughes) and for Colchester (Bob Russell) talked about the impact on children, and they were right to do so.

Before I address one or two of the substantive points and ask the Minister some questions, it is important to place on the record a correct understanding of what housing benefit and the local housing allowance for

private tenants actually do, and why they have risen so much. We have heard a great deal—including this week from the Secretary of State—about the explosion in the cost of the local housing allowance. Almost half, 48%, of the entire increase in housing benefit over the past five years has been a result of the growth in the private rented sector. It has been driven by cases and not by rents. Of that, 28% is accounted for by an increase in social rents, while a mere 20% is accounted for by rises in rents themselves at a time when house prices have doubled.

That does not mean that we do not have problems in some areas. We know that there are hard cases and that some people will always swing the lead; that is the case everywhere and in every system. However, such people are outweighed by thousands to one by those who rely on housing benefit and the local housing allowance to keep a roof over their heads. There are ways of dealing with hard cases by allowing local authorities discretion, and some such measures were set out by the last Government in the March Budget. We must not let hard cases dictate a national policy that impacts on 1 million people. That is the catastrophe.

Ministers seem to fail to understand the number of households on local housing allowance who are in work—again, the Secretary of State failed to refer to that. Over the past two years, there have been a quarter of a million new cases of people in work claiming local housing allowance. During the recession, as wages and the hours that people worked fell, people turned to housing benefit and the local housing allowance to stop themselves from being made homeless. The coalition Government have completely ignored that. Research commissioned by my party when considering housing benefit reform last year laid to rest the myth that, taken as a whole, the local housing allowance discriminates against working households.

Research published three weeks ago stated that

"housing benefits arrangements do not seem to unduly favour local housing allowance recipients compared to most low-income working households".

One clear message is that it would be a mistake to see housing benefit claimants and low-income working families as totally distinct categories. Most interviewees in the research study moved between those categories, sometimes several times, so that the same household could be a low-income working household one week, and find itself on housing allowance in another.

Despite all the evidence and research, in something like 20 weeks, a policy will come into effect that could impact on 114,000 households, mostly in London, who live in properties too expensive for them. The Mayor of London's own submission contains an expectation that 20,000 children will be moved. In my local authority, 5,500 households will be way above the cap. If we consider that half of those households are larger households with children, that is 5,000 children in one borough. Where are the school places going to come from? Where will those children be educated? Where will health services be found for them? Where will they be found homes? The sheer lack of planning for the scale of population movement, and the debt, homelessness and distress to be caused is overwhelming. That is in 20 weeks. In a year's time there will be a much bigger and deeper cut with the move to the 30th percentile, which is far wider.

The Minister says that rents will fall. Where is the evidence for that? Will all rents fall? Of course they will not. Some rents will fall, but where are the calculations about the numbers affected in areas where rents do not fall? Does the Minister think that the market does not exist, despite everything that we hear about it? When tens of thousands of people leave their homes in high-cost areas and move to Croydon, Barking, Southend, Hastings or Luton, surely the market will respond and rents will go up. Where will the savings be made? That is before households turn—as they will—to local authorities for rehousing.

Over the past two years, 120,000 households have been placed in the private rented sector by local authorities to prevent people from becoming homeless. What are those households going to do? Has the Minister considered how many of those households will apply to local authorities as homeless? It will be the overwhelming majority. Will local authorities have to pick up those duties and house those households in temporary accommodation, and at what cost? Do we not see the rankest hypocrisy from my own local authority of Westminster, which has been the cheerleader for some of these reforms for what I must say are highly political reasons? In response to a question that I asked the Minister, Westminster was the first council to write to the Government to ask for assistance in dealing with temporary accommodation costs. What extraordinary hypocrisy for it to be holding its hand out for financial assistance while lobbying for the changes that will see the majority of households, particularly those with children, moved out of the borough.

We are talking about a staggering movement of people, an increase in homelessness and an increase in the number of children—many of them vulnerable—throwing themselves on the mercy of ill-prepared local authorities in other parts of the country, including London, which are themselves expected to make a huge cut in their own expenditure at the same time. Many of the households involved are working households.

Has the Minister reflected on the effect of the policies on his own constituency and, indeed, that of the Secretary of State? It is worth remembering how they are affected. In the Secretary of State's constituency, 13,990 households are losers in the two broad rental market areas affected, and of those, just under 5,000 are in work. In the Minister's area, a shade under 1,000 working households lose, with families in two-bedroom properties losing nearly £1,000 a year. The policies are impacting in the Government's own backyard. I hope that that will give them some pause for thought.

Many measures are being proposed to ameliorate some of the most catastrophic impacts of the decisions. The Minister should allow time for impact assessment before local authorities are placed in the position that has been described, because I predict that even with the most minimal impact of the policies, we will see the most distressing scenes that we have seen in many years, as families are forced from their homes, are forced into debt and have to queue at local authority housing departments to make a claim for homelessness. There will also be an impact on the demand for services from local authorities throughout the country, which will have to deal with people's needs. Please will the Minister tell us what measures are being put in place to allow local authorities to cope with that?

10.52 am

The Minister of State, Department for Work and Pensions (Steve Webb): I have already congratulated the right hon. Member for Barking (Margaret Hodge) on securing this important debate. I also congratulate the hon. Member for Westminster North (Ms Buck); the Select Committee's loss is the Labour Front Bench's gain. She and many other hon. Members who have spoken bring to the debate a great deal of expert knowledge on housing. In the eight minutes remaining, I shall do my best to respond to some of the key points that were made.

My hon. Friend the Member for Colchester (Bob Russell) is a doughty campaigner on housing issues and I hope that he always will be. He raised very important questions. Are the measures not bad for child poverty? What about disabled people? A number of hon. Members mentioned the position of vulnerable groups. My response to my hon. Friend is twofold, but principally it is that if we examine what we are spending on housing benefit, we see clear evidence that a significant part of our spending is not subsidising people in need to have decent housing, but subsidising landlords. In each of the past five years, we spent an additional £1 billion in real terms; each year it was another billion, then another and then another.

I want to put a hypothetical scenario to my hon. Friend. The Department for Communities and Local Government says to the Chancellor of the Exchequer, "We want to spend £1 billion next year building affordable homes." The Chancellor says, "Yes, I'd like to do that." Then he goes to the Department for Work and Pensions and we have just put in a bid for another £1 billion and another £1 billion for housing benefit, and he has to go back to the DCLG and say, "I'm sorry. The DWP has claimed that £1 billion. It's not available for affordable housing. It's not available for tackling child poverty." The crucial point is that we have a housing benefit system that protects the vulnerable but does not pre-empt resources that could be spent on the very things on which we in this Chamber want to spend money.

Ms Buck *rose—*

Steve Webb: I wonder whether the hon. Lady will forgive me—

Glenda Jackson: Will the Minister give way?

Steve Webb: No. I will give way to the right hon. Member for Barking, who initiated the debate, but in the remaining seven minutes, I want to respond to some of the points made in the debate.

I want to correct a number of the inaccurate impressions that have been given. As the hon. Member for Westminster North said, it is a helpful focus in this debate—as distinct from our July debate, which was on the position of tenants—to ask about the position of the receiving local authorities. That is an entirely valid point. We are in discussions with our colleagues in the DCLG. We are working with the local government associations across the country to work out how best to support local authorities, which will face challenges; I do not dispute that for a second.

The allocation of the discretionary housing payments, which will be trebled from £20 million to £60 million, is part of the picture. As the hon. Member for Edinburgh East (Sheila Gilmore) pointed out, one of the issues for people will be difficulty in securing deposits, and one of the things that discretionary housing payments can be used for is to assist people in paying for deposits. That is part of the purpose of the scheme. We have deliberately trebled that money and, although I cannot say anything definitive about the allocation of that funding, inevitably we shall want the money to go where the need is greatest, and inevitably that means that London will get a significant slice of that money. That is clear, and I think that it will help.

I want to question the description that we have heard of the private rented sector in London. I hesitate to do that in a room full of London MPs, but I shall give it a try. It has been presented as though it is an incredibly static situation, in which people live in communities for generations and it is always the same property, yet surely hon. Members would accept that there is massive turnover in the private rented sector in London. People move in and out of properties all the time.

The idea that there are static communities where any disruption will somehow undermine the community seems to me a parody of what is actually going on. The same applies to the suggestion that in the most expensive parts of London, there are mixed communities, with people at all income levels. The only people who can afford very high rents are the very rich and the very poor; there is nobody in the middle. The suggestion that we are somehow disrupting those terribly cosmopolitan, mixed communities is not true. *[Interruption.]* Indeed, it is not true. What can we do about the situation?

Margaret Hodge: I think that the Minister has demonstrated, as he will have heard from the comments around the room, a lack of understanding of the nature of the population affected. I am referring to the families, about whom we have concern, who will be dislocated by his proposals. Will he give an undertaking to do just a little bit of research that will demonstrate the potential impact on movement across London, which families that will involve and how they will be impacted? If we shared that research and the evidence, we could then have a sensible debate about the impact of the Minister's proposition. Will he give us that assurance today?

Steve Webb: Like the right hon. Lady, I am keen to have a sensible debate on this subject. She mentioned the evidence that the Mayor of London has produced. The Mayor met my right hon. Friend the Secretary of State towards the end of September, and we are in close dialogue with London local authorities and others so that we do understand the implications of the changes.

With regard to turnover in the private rented sector, the local housing allowance scheme only came in just over two years ago, in April 2008, and 75% of private rented sector cases are now within the scope of that scheme. There is huge turnover of people. People are making decisions about new—

Emily Thornberry: Will the Minister give way?

Steve Webb: No. People are making decisions about new tenure choices all the time, and we are saying this: why should those whose rents are wholly paid by the

taxpayer not face the same constraints as those who are in low-paid work? I take the point made by the hon. Member for Westminster North that the two are not distinct categories; there is movement between the two. However, people in low-paid work are not choosing to live in the most expensive parts of the city, because they know that they would have to be able to pay those rents out of their wages. Why should people on benefit be in an advantageous position, in terms of their housing choice, compared with those in low-paid work? That simply is not right.

I am convinced that nothing in my language or my ministerial colleagues' language is about clearances or scroungers. That is not what we are talking about. We are talking about value for money for the taxpayer, including the low-paid taxpayers in the constituencies of each hon. Member present, whose taxes are going to subsidise those exorbitant rents. Although we have heard that those very high rents are exceptional, I was appalled when I discovered that the 5,000 families to whom we pay the most housing benefit cost the taxpayer an annual £100 million—5,000 families receive £100 million a year just in housing benefit, leaving other benefits aside. It cannot be right that low-paid workers in our constituencies, people dealing with child poverty and disabled people are paying taxes to pay those rents.

My hon. Friend the Member for Colchester asked about the position of disabled people. One of the changes that has not been reported is the improvements to the system of housing benefit for disabled people who need a non-resident carer. We are spending an extra £10 million on writing off that extra bedroom in the housing benefit assessment, because we recognise the particular needs of disabled people.

These are huge issues and it is disappointing to have only a few moments to respond to them. The crucial consideration is to be fair—yes, to people on benefit, but also to the low-paid taxpayers whose taxes are paying for these things. If we simply pay the full, very high rents, we make it very difficult for people to take work, which will ultimately be the best antidote to child poverty and the best long-term prospect for people. That is the goal of the reforms.

Bogus Charity Bag Collections

11 am

Tracey Crouch (Chatham and Aylesford) (Con): It is an honour and a pleasure, Mr Gray, to be speaking on this important issue under your chairmanship. This is not the first time that bogus charity collections have been raised in this Chamber. In February 2007, the hon. Member for East Dunbartonshire (Jo Swinson) held an Adjournment debate on the matter; the then Minister, charitable organisations and consumers wholeheartedly welcomed the debate, and it certainly raised awareness of a growing problem. However, despite the positive response from the then Minister, we meet three years on and the problem is more widespread, not less, and nothing much has changed. I hope that this time this Minister will be able to offer not only warm words, but real action.

House-to-house collections of donated goods are a crucial source of income for many charities—those with and without shops. For example, last year they contributed more than £22 million to the British Heart Foundation for the fight against heart disease, and 43% of sales income came from goods donated through doorstep collections. Age UK raises approximately £25 million per year from charity bags, which accounts for around 60% of the stock sold in their shops.

Even for the vast majority of charities that do not have shops, house-to-house collections form a massive part of fundraising. Legitimate private collection companies—some of which are better than others—are used to collect on behalf of many charities. Their professional fundraising ability means that companies such as Clothes Aid collect around £2 million per year on behalf of their tied charities.

Charity bag collections are a convenient way for people to recycle unwanted textiles. Our increasingly busy lifestyles mean that it is hard to find the time to drop clothes into a shop, and, given that shops themselves are often located in pedestrianised areas, it becomes incredibly difficult to make large donations following a spring clean, or a post-diet or a pre-winter wardrobe update. Like millions of people, I put my clothes in a charity bag and pop them outside my door before heading off to work. I do so in good faith, with the belief that they will be put to excellent use and raise vital funds for whichever charity is collecting. Sadly, it appears that that trust can sometimes be misplaced.

On 13 July, a flyer was posted through the door of my constituent, Mr Philip Wilson. It simply stated that clothes, shoes, blankets, towels and other such items were urgently needed by Breakthrough Breast Cancer; that Clothman Ltd, which it stated was a commercial participator that helps raise money for Breakthrough, would pick up the bags on Wednesday; and that £100 from each tonne collected would go to the charity. It carried the Breakthrough branding, had a woman pictured on the front, a registered charity company number and website details. It also had a mobile telephone number that you could call for further information.

The leaflet looked genuine and a normal charity supporter would not doubt it. However, on this occasion the leaflet went through the wrong door—or the right door, depending on how one looks at it. Mr Wilson is mid-Kent's fundraising co-ordinator for Breakthrough

[Tracey Crouch]

Breast Cancer, and therefore knew that his charity did not do door-to-door charity collections. He contacted the local council, the trading standards office and the police, but, despite a collection van being stopped mid-act, the operator was allowed to continue for allegedly having the correct registered charity number on the flyer. Of course, the flyer was fake, but the number was legitimate. That incident illustrates the difficulties that genuine charities face.

I first became acutely aware of bogus charity collections during the summer recess, when BBC South East televised an in-depth undercover investigation, which highlighted a spate of incidents across Kent. That investigation was already under way when Mr Wilson contacted the BBC and, shortly after, he came to my surgery. It has become clear that what happened in Chatham in mid-July has happened and continues to happen daily in streets up and down the country.

There are two major problems in combating this criminal activity: one, the legislation and, two, the often relaxed attitude of the police. Taking the police response first. I understand that the theft of a single bag of clothes may not seem like a high priority, but when it is estimated that the theft of clothes is in excess of 36,000 tonnes per year, at a cost of more than £14 million to charity, it should be taken more seriously. There are some examples of a good police response. Derbyshire police have recently conducted a successful undercover operation into this specific crime, and other forces have made individual arrests, but usually the attitude of the police is that they face tight budgets and bogus collections are not a key target or high priority.

The second challenge is the reluctance and/or capability to perform cross-border policing on level 2 or 3 crime. For example, Clothes Aid recently passed over intelligence on a small gang stealing in Bedfordshire, Hertfordshire, Essex and the Met area, but each force has refused to take the lead because it is "cross-border". That reaction ignores the fact that this is, quite simply, an organised crime, which is cross-county and growing.

If I may, I shall move on to the legislative aspects. For a charitable collection to take place, a licence must be applied for under the House to House Collections Act 1939 and the House to House Collections Regulations 1947. The Local Government Act 1972 transferred all licensing to the local authority, except in London. Larger charities can apply for a national exemption, but without a licence or an exemption doorstep collection is illegal. Although it is feared that as much as 50% of house-to-house charity collection is bogus, Charity Bags notes that only one in 10,000 illegal clothing collections in the UK is subject to enforcement action or prosecution by the local council.

In the Charities Act 2006, the previous Government introduced a new licensing and regulatory regime for house-to-house collections, but secondary legislation is required for it to be implemented. I was concerned to read that the Minister and the Charity Commission have publicly stated that they do not believe that to be a priority. Given the effect on public trust and the financial cost for charities, I respectfully disagree, and I suggest that anything that helps combat this organised criminal activity should be a priority. I urge the Minister to introduce secondary legislation at the earliest opportunity. A better licensing system is only one aspect of the changes required to combat the problem. Since most stolen clothing is exported, I would like to see more robust monitoring from border police and better international intelligence communication.

There needs to be tougher enforcement action against bogus collectors, from the van driver up to the mastermind operator organising the entire ring. The current level of deterrence is laughable, and bogus collectors continue to act with impunity. Consideration needs to be given to whether the bogus operators breach other important legislative and tax requirements, from employment duties through to tax evasion. Finally, the charity industry needs to work together to improve collection codes. I hope all relevant organisations will participate in the consultation on the new code of conduct recently published by the Institute of Fundraising.

Dr Thérèse Coffey (Suffolk Coastal) (Con): First, I congratulate my hon. Friend on securing the debate, because it is important. One concern raised with me by a constituent was about the transparency of the revenue that goes to charities. I encourage my hon. Friend to include that as part of the consultation; there is a variety of information. There is also the unscrupulous practice of certain collectors picking any charity bag—not their own—and re-bagging it. I support my hon. Friend's actions.

Tracey Crouch: My hon. Friend makes a good point. Furthermore, we could consider a register of reputable door-to-door collectors to provide the donor with easy access to trustworthy information. Transparency is extremely important to combating the problem, and we need to work with the charity industry and the legitimate private companies that operate under contract with those charities, to ensure that it exists.

Jo Swinson (East Dunbartonshire) (LD): I thank the hon. Lady for giving way and congratulate her on securing the debate. Sadly, we still have to discuss this issue because it remains a problem, although I and other Members have been raising it for some years.

The hon. Lady mentioned working in partnership with the charity industry, and that touches on the nub of the issue. As she said in relation to cross-border agencies, many agencies—whether trading standards or the police—do not take responsibility. Would it be possible, perhaps using the Minister's good offices, to get the relevant agencies together to hammer out a solution, rather than having everybody saying that it is not their responsibility?

Tracey Crouch: The hon. Lady should be congratulated on, and recognised for, all the hard work that she has done on this issue over the past three or four years; her debate in 2007 certainly started the process of increasing awareness. The fact remains that there is no communication across all the agencies and regulators involved. She raises a good point, which I hope the Minister will take on board.

The charity industry should consider a register of reputable door-to-door collectors to provide donors with easy access to trustworthy information. I now have a greater awareness of some of the bogus activity that takes place, and I recently received through my door leaflets that looked dubious. To be honest, however, it is

difficult to find out whether collection organisations are legitimate, and giving consumers easy access to such information will greatly improve the public's trust in collections and the amount that is donated to charity.

As a nation, we are generous donors to charity, which means that hundreds of charities benefit from millions of pounds, and that pays for many different services that the state cannot provide. Furthermore, our clothing donations help fulfil environmental and waste targets. However, of the three primary ways of donating clothes—shops, banks and bags—two are under threat from thieves. All charities that collect door to door now worry about theft. Half of all donors who no longer give clothes cite scam collectors as their reason for not doing so.

Bogus collection has grown from a small-time deception to a nationwide organised crime, costing charities millions of pounds in lost revenue. Unless the issue is taken seriously right from the top, the scam will continue. I urge the Minister to deliver more than a few warm words and instead to lead the attack so that the public can give with confidence and charities can receive the donations that they deserve.

11.12 am

Sarah Newton (Truro and Falmouth) (Con): I thank my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) for securing the debate. I want to say a few words in support of her on what is an important issue right across the country.

A company operating in my constituency and across Cornwall has been distributing and collecting charity bags for second-hand clothes. The company is called InterSecond Ltd and it has been appointed by its parent company, Azzara, which is registered in Lithuania. InterSecond could be a company or a charity—it is impossible to find out. Its bags have highly misleading logos, which could easily be confused with those of UK breast cancer charities.

Cornwall council, the licensing authority for charities' door-to-door collections, has not given InterSecond a licence and is actively pursuing an investigation into the complaints that it has received. BBC Radio Cornwall is warning people across the county that InterSecond's activity is bogus and that they should not make donations. Such bogus activities are not only misleading, but rob legitimate charities of much-valued income.

Will the Minister consider two actions that he could take? First, when organisations apply to the licensing authority, companies or charities based outside the UK that are beneficiaries of the collection's proceeds should have to give evidence to the licensing authority that any claims made are true. Secondly, the licensing authority should have the ability to pre-approve the information that will be printed on the bags to make sure that it is not misleading. Clear guidance to licensing authorities would really help.

11.14 am

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): It is a great pleasure to serve under your chairmanship, Mr Gray. I warmly congratulate my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) not only on securing the debate, but on presenting her arguments extremely forcefully. It is also important to register the presence of the hon. Member for East Dunbartonshire (Jo Swinson), who performed a similar useful exercise back in 2007, so she represents some continuity in terms of pressing the case for continued action on this extremely emotive and difficult issue.

As my hon. Friend said so well, we clearly have a problem. We all know, even just from walking the streets of our constituencies and knocking on the doors, that the public are more and more exposed to leaflets, bags and requests for information, and that is irritating them. There has been a change in the economic incentives underlying the behaviour that my hon. Friend is concerned about. Prices for second-hand textiles and clothing are at about £700 to £900 a tonne, so there is some serious money to be made.

The Fundraising Standards Board tells me that there has been a 100% increase in complaints to it over the past year. The media and various Members of Parliament are taking an interest in the issue, which is clearly serious. However, this is not so much about the sums involved or the cash cost to charities, which outside bodies estimate at between £5 million and £15 million a year. What concerns me is the issue of public confidence in charities at exactly the time when we want to encourage more people to give. This is clearly an important issue of public confidence.

Three types of collection activity potentially damage the sector's reputation. The first is outright fraud, which involves fake charities adopting the names of real charities for their collections, pretending to be charitable and stealing clothes that are left on doorsteps; my hon. Friends the Members for Chatham and Aylesford and for Truro and Falmouth (Sarah Newton) identified such activities. The second area of activity involves misleading literature that gives the impression that there is a charitable beneficiary, when that is not in fact the case. The third area of concern is the actual theft of bags of clothing left out for legitimate charities to collect.

All that behaviour is absolutely reprehensible, but the question is what we can do about it, and I take on board the point that the issue has been raised over some time. A lot of activity is going on, but the question is how effective it is, and it is important to review that. There are three levers that the Government can pull: more and clearer regulation, enforcement and education. The Government's position is that the challenge and the priority relate more to enforcement and education than to further regulation.

The regulatory base that is in place is sufficient, and, as my hon. Friend the Member for Chatham and Aylesford will know, collections are regulated under the House to House Collections Act 1939 and the House to House Collections Regulations 1947. Where collections are undertaken by a commercial collector on a charity's behalf, the necessary commercial participation agreement under part 2 of the Charities Act 1992 must be in place. As a Government who see themselves as being in the business of deregulation rather than of adding to regulation, our instinct is therefore not to reach immediately for the regulatory lever, not least because we would be concerned about imposing additional costs and burdens on those who perform their activities in a wholly legitimate way.

My hon. Friend rightly pressed me about the implementation of the Charities Act 2006. She will be aware that it is due for review next year—there is a

[Mr Nick Hurd]

requirement on the Government to review its workings and implementation—and I have already made an explicit commitment in public that a review of the issues before us will be an explicit part of that process.

The honest answer to my hon. Friend is that if I thought that full implementation of that measure would transform the landscape and make a huge difference, I would have carried that out some time ago. In fact, the advice that I have received is that the net impact of implementation could be marginally deregulatory, in the sense that it would effectively replace the requirement to get a local authority licence to operate in a specific area with a requirement to get certification from the Charity Commission to operate anywhere. I am not entirely persuaded that that would solve the problem, but research is being conducted and, as I have said, there will be an explicit review of the issue in the context of the review of the Charities Act 2006. My hon. Friend has that undertaking from me.

Enforcement was a central concern of my hon. Friend. We look to various players in the field to make a difference and an impression: local trading standards officers, the police and, of course, those responsible for regulating advertising standards in the context of leaflets that are arguably misleading. The debate has prompted me to review what is going on, and on the face of it I am reasonably encouraged by the level of activity and what that tells me about the underlying concern of the agencies responsible.

For example, I welcome the work that the Fundraising Standards Board is doing with the Trading Standards Institute to develop a toolkit to guide all trading standards officers through the relevant legislation and through what evidence is needed to tackle bogus charity collections and effect successful prosecutions. As my hon. Friend will know, the process in relation to detection and evidence is extremely difficult. However, there is clearly partnership work going on to develop a toolkit that will help trading standards officers in that difficult work.

Tracey Crouch: I thank the Minister for what he has outlined, but I dispute whether it is difficult to detect the people in question. Quite often they clearly state where they will be, and at what time. It is misleading or misguided to think that it is difficult to catch them and find evidence. It is often very easy to catch the perpetrators in the act. I feel that sometimes it is not a question of catching them; it is a question of the process afterwards—prosecuting them. That is where the slow-down is.

Mr Hurd: I understand and accept my hon. Friend's point. As to difficulty of detection I was thinking not so much of the person in the van as of the mastermind in the control room—the real villain of the piece. I also think that the public will play an increasingly important role in detection and evidence. For example, in my constituency we have rolled out the concept of neighbourhood and street champions, people who have value as the eyes and ears of public agencies, on a range of issues. In the present context they could play an important role in detection and evidence-gathering.

I was trying to summarise some of the welcome activity that I detect is going on among various agencies who are trying to work together to develop better practice. The Institute of Fundraising has a current consultation on its code of fundraising practice on house-to-house collections. That code will apply to all collections of money and goods made house to house, whether they are carried out by volunteers, fundraising organisations or third party agencies.

I note that the National Association of Licensing and Enforcement Officers is doing some work on developing guidance for local authority licensing officers on house-to-house collection of goods. I have looked again at what the Advertising Standards Authority is doing as the UK's independent regulator of advertising. Again, I am satisfied that it takes the issue seriously and that its connections with the Office for Fair Trading are reasonably robust, so as to create the opportunity to act against those who mislead the public through advertising material.

The police's sense of their local priorities clearly presents an issue, but the Office of the Third Sector, as was—it is now the Office for Civil Society—has been in regular contact with the Association of Chief Police Officers. I give my hon. Friend the Member for Chatham and Aylesford a personal undertaking to write again to ACPO to press the issue, and to raise the matter of cross-border co-operation that she specified.

The level of fines and the effectiveness of deterrence also needs to be considered. I understand that one of the maximum fines, for collecting without a licence, is about £1,000. There seems to be a mismatch between that and the price of a tonne of textiles, so again I shall write to the Ministry of Justice to explore its appetite for a review of the level of fines and deterrence.

To deal briefly with education, I have reviewed what has been done. My hon. Friend will know that the Office of the Third Sector was instrumental in co-ordinating the "Give with Care" campaign. It distributed about 500,000 leaflets around the country. That was relaunched in 2010. The Charity Commission has been extremely proactive, and keen to raise awareness of fraud and theft. The media, Members of Parliament and various other stakeholders have played an important part in raising the profile of the issue, notifying the public and encouraging them to report suspicious behaviour and perhaps to be more rigorous in checking the claims made on the material shoved through their letter boxes.

I acknowledge that there is a problem, and I congratulate my hon. Friend on raising it again. The more I look at the matter, the less easy it is to see an easy, quick-fit solution. The nature of the activity is in the shade and at the margin of the law. As I have tried to stress, our instinct is that the question is much more one of enforcement and education than regulation. There is a lot of activity and there are many programmes. The question has been raised—and I join in asking it—whether the activity is sufficiently robustly co-ordinated. Despite the levels of activity, there is always scope to do more and think harder about the issue. My hon. Friends the Members for Chatham and Aylesford and for Truro and Falmouth have both put some concrete, specific ideas on the table.

I want to close with an invitation to my hon. Friend the Member for Chatham and Aylesford: given the scale and complexity of the problem, it is time to convene a round table of those people who are actively engaged in

trying to reach a solution. I will do that, and my hon. Friend is invited to participate in that event, given the leadership role that she has played, through tabling her early-day motion and obtaining the debate.

The challenge will be for the people around that table to think afresh, review what we are doing and consider whether we could take cleverer, more co-ordinated and more robust actions to get on top of the problem. There is clearly a significant risk that the problem will undermine the confidence of the British public in giving to charity, at exactly the time when we want them to give more.

11.28 am

Sitting suspended.

Police (Public Trust)

[HUGH BAYLEY *in the Chair*]

2.46 pm

Mark Pritchard (The Wrekin) (Con): I am grateful for the opportunity to introduce this debate. Sir Robert Peel, the founder of policing, said:

"The police are the public and the public are the police; the police being only members of the public who are paid to give full time attention to duties which are incumbent on every citizen in the interests of community welfare and existence."

His comments were true in the 19th century and they are true today. Policing remains a noble vocation. For many serving police officers, their duties remain much more than a job or profession. At its very best, the police service still manifests the highest of public service attributes; it is public service in uniform. I pay tribute to the 11 police officers who have been killed on duty since 2002 and the 3,271 police officers who have been seriously injured over that same period, and, indeed, to officers on the front line today who are perhaps being injured in the course of their duties.

Like most Members of this House, I was brought up to respect the police, and for the most part that respect still remains, but in recent years I have become aware—not only from the mailbag and inbox from my own constituency, but from the experience of those whom I read and hear about in different parts of the country—that public trust in the police is declining. It is indisputable that a sizable minority of officers are increasingly overshadowing the dedication, courage and professionalism of the vast majority of serving police officers—officers who do the right thing, not the wrong thing. I do not in this debate set out to criticise the police, but, as a candid observer and supporter of those who do their duty, I want to raise a number of serious concerns that I have about some aspects of modern policing, which, in my humble view, unless the police address them, will continue to undermine much needed public confidence and encourage the growing lack of trust in those to whom we entrust so much.

I understand that the police need and want a good working relationship with the media. The success of broadcast programmes such as "Crimewatch" underscore such a relationship working well, and the same is true in relation to the press. The police and the media working well together—working lawfully together—can and does bring results, which are welcomed by the law-abiding public. However, what is not acceptable to the public is when serving police officers sell their stories, whether true or untrue—stories often obtained by officers in the course of their official policing duties. In such instances, disciplinary action needs to be far more severe than it is on the disappointingly rare occasions that such action occurs now. If officers breach internal disciplinary codes over relationships with the media, what other laws and rules might they be breaking? If they break the law, action should be taken.

Police officers also need to be reminded, under caution if necessary, of their legal obligations to uphold the Official Secrets Act. Police officers are not above the law; they are subject to the law and they must uphold the law. Moreover, when senior officers fail to take action against officers who fail to uphold the law, public trust ebbs away. This personal feasting on the media can

[Mark Pritchard]

bring the whole of the police service into disrepute. That lesson applies to senior officers too. They should try to avoid losing their sense of perspective in exchange for a few moments of glory in newspapers, which are decreasingly read. It would be far better for the police to stick to policing.

It is also not for senior and chief officers to decide what is and what is not in the public interest, or what they will or will not investigate. The law is set by this Parliament, by the people and for the people, not around a large and strategic coffee table. That is why the office of the Director of Public Prosecutions must avoid any hint that it is the police, rather than the Crown Prosecution Service, who ultimately decide what cases may or may not be investigated and brought before the courts. That is why I am calling today for a review of what is and what is not "in the public interest". What does the term "in the public interest" actually mean? Who really determines what is in the public interest, using what criteria?

One of the key areas of concern for many of my constituents and, indeed, for many serving police officers I speak to is the apparent lack of discipline exercised in and by some police forces. It is not acceptable to taxpayers or to dedicated and hard-working police officers for other police officers to break the rules—sometimes consistently—many of whom are subject to no discipline or, if they are disciplined, are only very lightly disciplined. It is the view of those of my constituents with whom I have spoken about this issue that far too many bad apples remain in the police service, often with impunity. For every officer who "gets away with it"—whatever "it" might be—public trust in the police ebbs away.

Indeed, the culture of the police service offering a job for life, or for 30 years, even to officers who have a very poor disciplinary record and years of complaints against them, must end. Honest, hard-working police officers deserve better and so do the public. As one police officer put it to me recently,

"from the junior ranks to chief officer level, there needs to be a 21st century reminder that it is not a 'warrant card' that gives the police service its success, but public trust, public co-operation and policing by consent."

I welcome the Government's review into policing pay, terms of employment and conditions, but I hope that that review will also look at that important area of discipline and especially at the public demand for chief officers to approach their disciplinary responsibilities far more proactively. That will mean far more than the call to limit payouts at employment tribunals; often, it will mean enforcing warnings and disciplines at a very early stage in a police officer's career—early intervention. A problem ignored today will often emerge as a more costly and complex problem tomorrow. Chief officers have the rank and the pay to deal with important man-management decisions, and they need to show a little more forthrightness in doing so.

Corrupt police officers should be brought before the courts, and on conviction thrown out of the force. Being dismissed from a particular force does not serve justice in the way that the public rightly expect and deserve. Furthermore, when I say "courts", I mean local courts. It is not acceptable that officers are brought before courts in a neighbouring county to the one in which they serve. I am sure that it has nothing to do with avoiding potentially negative media and public scrutiny, but whatever the reasons or causes for the practice, it must end. There should be no special treatment for police officers.

Mr Mark Field (Cities of London and Westminster) (Con): I congratulate my hon. Friend on his very interesting speech and I agree with the thrust of quite a bit of what he has said. As a London MP, I think that the mendacity of the Metropolitan police at times in relation to some high-profile events, such as the shooting of Jean Charles de Menezes and indeed even Mark Saunders very recently, is very worrying, particularly as it seems to be a mendacity that is implied at the very highest level.

My hon. Friend made a very important point early in his contribution about policing by consent. Does he have a view on that issue? Policing by consent is a very particular element of policing in this country, which makes us very different from many European countries. Does he not think that now is the time for a much more open and much broader debate about precisely how our policing should be organised? Historically, going back 160 or 170 years, it has very much been a case of policing by consent rather than policing on a European-type model, but perhaps the model of policing and the expectations of the general public are now changing.

Mark Pritchard: I am grateful to my hon. Friend for that important intervention. I know that he has a lot of experience in this area. In response to his question, I think it is important that when the Government undertake their review, the whole issue of the relationship and building trust between the police and the public is examined. I have touched on discipline already; I will touch on some other issues shortly. I think that my hon. Friend came in just a few moments after I began the debate. I refer him to the words of Sir Robert Peel that I quoted at the outset; perhaps he can read them in *Hansard*. It is an important point that, of course, the police are themselves members of the public. However, on the question of policing by consent, perhaps we need to look at Bramshill, Hendon and other places where our police officers—from junior officers to senior officers—are trained. We should remind officers that they are policing by consent and that there must be a relationship with the public that does not exist through the warrant card alone but through trust and mutual respect.

As I said, there should be no special treatment for police officers. Police officers are not above the law; they are subject to the law, as we all are. Some officers forget that and as a result public trust in the police ebbs away. *[Interruption.]*

Hugh Bayley (in the Chair): Order. Since there is a Division in the House, I must suspend this sitting. We are running behind time already, so I suspend the sitting for a maximum of 15 minutes, but I give fair warning to all Members that if the two Front-Bench spokesmen and the initiator of the debate, Mark Pritchard, are back before then, I will start as soon as the three of them are back in their places.

2.56 pm

Sitting suspended for a Division in the House.

3.4 pm

On resuming—

Mark Pritchard: There should be no special treatment for police officers; they are not above the law. They are subject to it, as we all are. Some officers forget that, and when they do, public trust ebbs away.

I am not convinced that internal anti-corruption units bring the conviction rates necessary to root out police corruption. I hope that the Home Secretary and the Minister will at least consider the feasibility of establishing a national and specialist anti-corruption unit by pooling existing resources that can be called on to investigate allegations of police corruption. The process by which anti-corruption investigations are triggered should also be reviewed. It should not be left to the discretion of chief officers alone to sanction such investigations.

Similarly, action is needed on race relations. Racism within the police or any workplace is completely unacceptable, but race should not be used by a small number of ethnic minority officers as a way to march chief constables down to the bank to hand over large amounts of taxpayers' money in order to avoid damaging headlines about police forces. I have some sympathy for the comments of Sir John Stevens, the Metropolitan Police Commissioner, on employment tribunals; many more police officers should exercise more resolve in taking on police officers who do not have a genuine employment grievance.

Although the vast majority of ethnic minority police officers undertake their duties professionally, with skill and courage, some constituents of mine fear that some look to their bank accounts before seeking to get on with their duties. White British officers are guilty of abusing the employment tribunal system as well, although their claims are mostly of a different nature. Where false claims are made, officers should be sacked, not promoted. For every spurious police employment tribunal claim, public trust in the police ebbs away.

Of course, many such issues can be minimised and mitigated by the more liberal application of a much needed attribute in some police forces: leadership. I hope that the Minister will consider how leadership might be revived in the police. Surely leadership is not only to be found hanging alongside a gold-framed MBA certificate on a senior officer's wall.

We need a much improved way to recognise and reward leadership within the police, perhaps by introducing an officer entry qualification or new fast-track promotion for outstanding individuals. For example, the skills of ex-military personnel with experience of leading men and women should be recognised more fully. Others might come from other leadership backgrounds. I fear that bed-blocking by rank, most notably at sergeant rank, threatens to hold back a generation of proven and natural leaders within the police. The police service desperately needs such leaders, and the public want them.

I also hope for a review of the number of police agencies and quangos. It appears that scores of retiring senior police officers—usually they retire quite young—never actually retire. They have little time to spend their generous pensions and large lump-sum payoffs; instead, they leave the force to re-emerge in one of many police agencies or umbrella organisations, usually on higher pay than the Prime Minister.

Bonuses for police officers should stop. A rate of pay should be agreed, and senior officers should either apply for jobs based on that stated rate or take another career path or job. Doing the right thing, doing a good job and believing in their important public service role should be reward enough.

Far too many of my constituents agree that the police, like the BBC, are one of our last great unreformed national institutions, which is concerning. If policing by consent rather than by warrant card is to be re-established, perhaps where colleagues have witnessed a retreat in recent years, I hope that the police will embrace reform rather than rejecting or repelling it.

Rehman Chishti (Gillingham and Rainham) (Con): I congratulate my hon. Friend on securing a debate on such an important issue. Although there are real concerns, the Kent police constabulary, for example, has a satisfaction rate of 87%, according to the Kent crime and victim survey. That clearly shows that, although there are legitimate concerns nationally, some police constabularies, such as that in Kent, are doing an excellent job.

Mark Pritchard: I am grateful for my hon. Friend's intervention. He is right to highlight good practice and good police work when he sees it and so, too, are Members across all parties. Indeed, I hope that I have highlighted such things in trying to balance my speech.

Mr Stewart Jackson (Peterborough) (Con): I congratulate my hon. Friend on making an intelligent and compelling argument, but are not senior police officers acting perfectly rationally in taking their lead from organisations such as the Association of Chief Police Officers, whose leadership considers it appropriate to give a running commentary on the fiscal decisions of the democratically elected Government? There is also an institutionalised lack of accountability because local police officers are essentially accountable only to the Home Office, not to elected officials or the people whom they serve at local level.

Mark Pritchard: My hon. Friend brings considerable experience to bear, and he is absolutely right that senior officers in particular should stay out of politics, law making and social work and refrain from commenting on important fiscal and Treasury matters. Clearly, they have a view about their police budgets, but if far more police officers spent more time actually doing the job of policing, perhaps crime would be down even further. I agree with my hon. Friend, and he is absolutely right to raise the issue.

I hope that the police will very much embrace the reforms that the Government are introducing, rather than rejecting and repelling them. Chief officers should avoid being alarmist and offering up alarmist comments and overreaction in the debate about the public deficit. They can and will form part of the reform process, but they cannot write their own terms, for that would avoid the real and lasting reform that modern policing needs if it is to re-engage with the public and public trust is to be restored where it has been lost.

I end as I began—by paying tribute to the many police officers who undertake their job day in, day out in a professional, dedicated and often courageous manner. Such hard-working officers, of whom there are many in my own police constabulary area of West Mercia, are

[Mark Pritchard]

similarly frustrated by colleagues in the police force who lie, commit perjury, sell private details to the tabloid media and break the Official Secrets Act. Like the public, they are fed up of lazy and incompetent police officers. Such officers should—I say this as a slight aside—be subject to an annual fitness test and certainly to better leadership and discipline, as I have suggested.

Policing remains a high and noble vocation. The United Kingdom has some of the most dedicated and professional officers in the world, but unless there is a marked change in leadership and discipline, the rooting out of corruption and the sacking of incompetent officers, as well as an avoidance of the growing "them and us" approach to policing the public, whom we all serve, public trust in policing will continue to ebb away. That is not in the police's interest or the public interest, and it is certainly not in the national interest. Let us see a revival of police discipline and leadership; we will then see a restoration of public trust in policing.

Several hon. Members *rose*—

Hugh Bayley (in the Chair): Order. Four Members are trying to catch my eye. As a result of the Divisions, the debate will end at 4.23 pm. I will call the Front Benchers to speak for the last 20 minutes, which means that we have just under 50 minutes. I hope that colleagues will bear in mind that that means that we need speeches of 10 or 12 minutes if we are to get everybody in.

3.14 pm

Keith Vaz (Leicester East) (Lab): It is a pleasure to speak in my first Westminster Hall debate under your chairmanship, Mr Bayley. It is also a real pleasure to follow the contribution of the hon. Member for The Wrekin (Mark Pritchard). I regard him not only as a friend, but as someone who thinks carefully before making his speeches. His was a very thoughtful speech, which raised several issues of concern to Members on both sides of the House. I am sure that the Minister and the shadow Minister, my hon. Friend the Member for Gedling (Vernon Coaker), who was in the Minister's position until very recently, will have taken on board many of the points made by the hon. Member for The Wrekin.

The debate is well attended, which shows the tremendous interest in the House in policing issues. The hon. Gentleman was right to end his speech by praising the work of so many police officers, but he was also right to mark up a number of issues that really need to be addressed. Our debates in the House deal largely with the great issues—the structures and the new landscape—of policing, and we sometimes forget individual cases. Such cases are often brought to the public's attention through the media and therefore have a disproportionate influence on how people regard the police. The hon. Gentleman mentioned a number of cases.

We live in exciting times as far as policing is concerned. The Home Affairs Committee is certainly extremely busy scrutinising the Government on a number of policing issues. We have decided to conduct three inquiries into policing this year—they are rather like "The Lord of the Rings" in that they are a trilogy. The first report will deal with police commissioners, and we will rush it out by the end of October because the Bill dealing with the issue is due before the House in November. The second report will deal with the elements of the planned national crime agency, which will result in legislation next summer. The third report will relate to the comprehensive spending review, and I fear that a number of the issues that we raise today will have to be seen in the light of what the Government decide to do about the policing budget.

I want to raise a number of issues that I think will be of use to the House. As constituency MPs, we all have examples of dealings with local people who are concerned about the police, although none of us, except the hon. Member for Edinburgh West (Mike Crockart), has actually served in a police force.

One of the easiest things for the police to look at, which actually costs no money at all, is how they deal with the public. Good customer service is essential to ensuring that we have policing by consent and it means that when people send letters to chief officers or local commanders, they get a reply very speedily. One of the points made to the Committee in its short inquiry into the Independent Police Complaints Commission earlier this year—in fact, it was in our recommendations—was that if police at the local level dealt more efficiently and effectively with concerns raised by the public, the need for complaints would diminish.

The first aspect that I want to raise is therefore very much in the hands of the police, and what happens depends very much on the personality and character of the chief constable; if the chief constable wants to make sure that something works, it will work. I had a useful meeting last Friday with the new chief constable in my area, Simon Cole. I raised my concern that when I write to the police on behalf of constituents who come to my surgery on a Friday, I do not get a reply for weeks or even months. All that those constituents want to know is what is happening about their cases. If they know, they will be satisfied. They might not be satisfied with the outcome, but they will at least know what is going on.

Providing good customer service and responding to concerns are therefore important. The Fiona Pilkington case occurred in Leicestershire. As hon. Members know, Ms Pilkington made 33 complaints to the local police force before she drove off and set her car on fire. That is an example of what happens when people do not get a response. I hope that everyone learns the lessons of what happens when the police do not respond; I know that Leicestershire police have. If forces get their house in order and provide the right service, that will be very helpful.

The second issue is visibility. I do not know whether the Minister knows how much his budget will be next year or whether he has just received a text from the Chancellor asking him to go to No. 11 to discuss it, but I am sure that his budget will be cut. If it is cut, to the levels that he and I think possible, that will have a huge impact on some of the issues raised by the hon. Member for The Wrekin. The police cannot perform the functions that the public expect them to unless they have the budgets to enable them to do so.

Mark Pritchard: Does the right hon. Gentleman accept that discipline and leadership in the police do not necessarily have to come with a price tag?

Keith Vaz: I accept that absolutely; it is one of the common-sense issues that could be dealt with quickly. If someone needs to be disciplined they should be disciplined. There is a defensiveness to the public sector. I am sure that the hon. Gentleman has encountered cases against the local health authority in his constituency, as well. When we write in because someone is concerned about their treatment, there is always denial—all the way to the doors of the High Court. Some of the issues can be dealt with by providing proper leadership.

That leads me to my third point, which is about the new landscape of policing. The Minister has a great opportunity, in deciding what will go into the national crime agency, to deal with issues of leadership. Leadership is not being provided at the moment. We took evidence yesterday from the deputy Mayor of London—the kind of no-nonsense politician one wants in charge of a police force. With people such as Mr Malthouse around, one wonders whether there is a need for elected commissioners; there is always someone like him in every local authority.

I hope very much that the Government will pause and think before they shove everything into the national crime agency. The National Policing Improvement Agency is supposed to go in there, with all its police improvement functions, and so is the Serious Organised Crime Agency. The Child Exploitation and Online Protection Centre is going in there, and the databases will too.

I know that it is hoped that we shall save money—and we all want to get value for money from the police service—but there may be an opportunity in the few months that remain to deal with the issue of police leadership. There will be arguments on either side about whether that should go to ACPO, about which some hon. Members have concerns. I think that it is an organisation that can be developed to take over Bramshill and provide the necessary leadership.

However, to get the police constables of the future, who will be responsive to the needs of the public, it is necessary to start at a much lower level. The career development that is so vital, especially in policing, should be conducted by an agency that is not the national crime agency. All the good work that is being done by the NPIA should go somewhere else, although I do not have a fixed view on where. The Select Committee will consider the matter, but that work is not suitable for the NCA.

The hon. Member for Gillingham and Rainham (Rehman Chishti), who spoke briefly and had to attend to other duties in the House, mentioned the Kent constabulary and the good practice there. I saw good practice when I went to Staffordshire a year and a half ago. The former Minister, my hon. Friend the Member for Gedling, knows that I am going to raise this issue, which concerns the forms that Staffordshire police were filling in. They had reduced them from 24 to one.

I wrote to Jacqui Smith and said, "This is brilliant; can you please write to all the chief constables and make sure that it is rolled out throughout the country?" It took months and months before it happened. The Select Committee has its own website—I do not know whether the Minister has seen it—which notes good practice by police forces. One of the examples is what is happening in Kent. Guarding against bad practice, which is what the hon. Member for The Wrekin was discussing, is a good way to ensure that good practice happens. Perhaps it happens through guidance from the police Minister, or perhaps it happens when the dos and don'ts are shoved on to the Home Office website.

Jim Shannon (Strangford) (DUP): There is an example of good practice in Northern Ireland, where the Police Service of Northern Ireland has made clear progress over the years. Part of core policy for the PSNI is the interaction of community officers with the general public. They get to know each other and a relationship builds up. Also, for many, there are vocational callings. Some people who are community officers have that vocation in life. That is what they are called to do, and their qualities can be seen coming through in policing.

Does the right hon. Gentleman agree that there are many lessons that can be learned from the progress made by the PSNI in Northern Ireland and the way in which it is developing its relationship with the general public?

Keith Vaz: Yes, there are, and the Select Committee members look forward at some stage in the future to coming to Northern Ireland to see what has happened. The developments have been amazing, and the appointment to the PSNI of Matt Baggott, the former chief constable of Leicestershire, is very welcome. We look forward to visiting him there.

On 22 November, the Select Committee will hold a seminar in Cannock Chase. I have written to the Minister to ask him to speak at that seminar, which will deal with all the issues that I have outlined. It is only 41 minutes away from the Wrekin, so I hope that the hon. Member for The Wrekin will attend. The purpose is outside the context of Westminster, where we can get very political about policing issues. Members on both sides of the House and people on neither side—because we hope that there will also be many police officers and members of police committees there—will discuss the new landscape that is proposed.

I am not one of those who feel that the Government have gone too fast on policing. They are right to have set out a strong agenda for change, but I urge them to heed the views of others who may have an input to make into the matter. I know that the Minister respects the work of the Select Committee because he poached one of our best and newest members—the hon. Member for Brentford and Isleworth (Mary Macleod)—as his new PPS.

The Minister will not agree with everything that we say, but given what the hon. Member for The Wrekin has said and what others will say, let us not rush ahead on some of the issues. Of course principles are important, but we are dealing with a new landscape. Let us make one that is above party politics and based on consensus, and that will last for at least a generation.

3.26 pm

Anne Marie Morris (Newton Abbot) (Con): I want to extend this interesting debate to consider what we mean by trust. We have discussed the attitude of the public to some of the leaders in the police, but equally important is the public's trust in the bobby on the beat, and we have not touched on that. I am also concerned to retain a balance in the debate between the bad and good apples in the barrel. The good apples have not had a fair hearing, or been congratulated on what they do.

[Anne Marie Morris]

I am extraordinarily lucky because my constituency is in beautiful Devon and Cornwall and our record on policing is extremely good. In 2009-10 we cut the crime rate by 10%; we have reduced vehicle theft by 27% and overall we reduced antisocial behaviour. I am pleased to say that we are perceived to be the fourth safest policing area in England and Wales, and 63% believe that we are doing a good job, but there is a "but": despite that record the fear of crime is disproportionately high. That brings me back to the bobby on the beat. Independent research has shown that bobbies on the beat are a key factor in deterring people from committing crime and in making people feel safe. In Devon, we have put 200 more policemen on the front line. We have very active police and "communities together" meetings—most recently, we have met in supermarkets, which makes us extremely accessible; that is where we should be. I certainly welcome the Government's reintroduction of special constables.

Despite what the figures seem to show, however, we have found that, in relation to trust and confidence, the figures fly in the face of all we have been doing. In 2008, 53.2% of people across Devon and Cornwall said that we were doing a good job, and trust and confidence were high, measured by our approach to dealing with antisocial behaviour. That put us second out of 43 police forces across the country, and compared very well with the average of 46% satisfaction. However, in 2009, we plummeted to 35th out of 43, with the satisfaction rate on dealing with antisocial behaviour down to 46.9%. The question for me and my police team was why?

The challenge—the key issue I would like the Minister to address—is how we should measure trust in the police force. It seems rather bizarre that we have a record of crime and antisocial behaviour being cut in Devon and yet, according to the measurements, trust and confidence in the police is going down. That cannot be right. I urge the Minister to consider how, as a Government, we can introduce appropriate measures that are workable and meaningful to the public. I suggest that we start to consider things other than antisocial behaviour, because I think that a much wider remit concerns the public.

3.30 pm

Mr Tom Watson (West Bromwich East) (Lab): It is a pleasure to serve under your chairmanship, Mr Bayley. I thank you for helping the four of us who want to speak work out an equitable distribution of time in the debate.

Like my right hon. Friend the Member for Leicester East (Keith Vaz), I consider the hon. Member for The Wrekin (Mark Pritchard) a friend in the House. He is tenacious, he never fears to speak out and, on this occasion, I consider nearly everything he said to be utterly wrong. I have to say to him that I thought his contribution was intellectually disingenuous—probably the most intellectually disingenuous contribution I have heard since I became an MP. He made sweeping statements, very few of which were backed up by any empirical evidence. I consider it the duty of the Minister for Policing and Criminal Justice to distance himself very strongly from those statements, unless he has seen the evidence that backs up those claims.

Mark Pritchard: I thank the hon. Gentleman for his comments and compliments. On his latter points, can he give a specific example and provide the counterview to that example that he thinks should be put?

Mr Watson: No, I will not be doing that. I have limited time and my real reason for being here today is to talk about the Metropolitan police and their conduct of the inquiry into phone hacking by the *News of the World*.

My right hon. Friend the Member for Leicester East, the Chairman of the Select Committee on Home Affairs, mentioned that it would be nice if chief officers replied to MPs' letters. Given the national interest in the issue, I would like to gently chastise the Metropolitan police for their failure to respond to what I thought was quite an important letter that I sent to Sir Paul Stephenson on 3 September. In the letter, I asked whether every person whose phone was listed in the Glenn Mulcaire evidence file was informed that they were a target of hacking; and, if they were not informed, who decided, according to what criteria and on what authority, which names were to be investigated and which were to be ignored?

When it became public that a Metropolitan police officer, Michael Fuller, was also on Glenn Mulcaire's list, I was extremely concerned that Met police officers themselves did not know that they might have been the target of phone hacking. I therefore asked Sir Paul Stephenson if he would confirm how many Metropolitan police officers were on the Mulcaire files. He has not responded.

Mark Pritchard *rose—*

Mr Watson: I would like to make my point first. I will take the hon. Gentleman's intervention at the end of my speech.

I also asked why people on the Mulcaire list were not informed and how many people were on the list of the Mulcaire evidence file, because that is still not in the public domain. Many Members of Parliament were on the Mulcaire lists. We still do not know how many and I do not know if all the Members of Parliament on that list have yet been informed. I asked Sir Paul Stephenson to answer that and to confirm who decided which Members of Parliament should be notified, according to what criteria, and on whose authority. He has not responded. I also asked Sir Paul Stephenson to confirm which victims were selected to be notified and on what criteria. There are a lot of unanswered questions in relation to the Metropolitan police inquiry.

Mark Pritchard *rose—*

Mr Watson: I will take the hon. Gentleman's intervention later, if he will be a little patient.

Mr Stewart Jackson: On a point of order, Mr Bayley. Given that we learned today that the Metropolitan police have specifically, in relation to the case raised by the hon. Member for West Bromwich East (Mr Watson), sought evidence from *The Guardian* newspaper, I seek your guidance on the issue of sub judice. I do not want to fetter the hon. Gentleman's discretion to raise these issues, but I am concerned that he may be transgressing the rules of the House on sub judice in relation to that ongoing police investigation.

Hugh Bayley (in the Chair): If the matter is not before the courts, it cannot be sub judice. What the hon. Gentleman has raised is a matter for debate. If we have time and he wishes to speak, he might be able to make a contribution.

Mr Watson: Thank you, Mr Bayley. I would not dream of attempting to transgress the rules of the House on sub judice. I simply seek to get the facts, and not enough of the facts are in the public domain.

The Minister has it in his power to cast light on this sorry tale. He could review the Metropolitan police advice to the Director of Public Prosecutions, and thus be confident in his own mind about whether the DPP was given all the evidence required to bring appropriate cases. If the Minister wanted to, he could ask an external police service to investigate the conduct of the inquiry by the Metropolitan police. I would like him to acknowledge whether that is an option he is considering taking. He could, if he wanted to, talk to the Prime Minister about the potential for a judicial inquiry into the conduct of this case.

Members of Parliament, senior police officers, senior members of the military, the heir to the throne and leading celebrities have been the target of criminal activity on an industrial scale by News International journalists, and that has not been adequately investigated. So in today's debate on trust in the police, I would like to say that I have absolute confidence in the police's ability to get to the truth.

Mark Pritchard: The hon. Gentleman is being as gracious as ever and I am grateful to him for giving way. The right hon. Member for Leicester East (Keith Vaz) rightly said that he did not want to play "party politics" with this debate. I am sure that the hon. Gentleman is not attempting to do that, but I fear he is perhaps straying into party politics. I think he is at his very best when he is representing the interests of his constituents in West Bromwich—where, if he looks at the latest statistics, he will see that burglary has increased—who are concerned about and have a real fear of crime, rather than trying to make wild accusations and party political points on a very narrow matter. Let us stick to the debate on the important topic of public trust in the police that is important to his constituents and, indeed, throughout the country.

Mr Watson: I do not believe that that was a question; it was a statement. I cannot recall one word of any of my sentences that was of a party political nature. I seek to get to the facts after a unanimous inquiry conducted by my own Select Committee—the Select Committee on Culture, Media and Sport—and the establishment of two further inquiries agreed by both Front Benches in Parliament.

To sum up, will the Minister let me know whether he sees merit in an investigation into the conduct of the Metropolitan police inquiry into phone hacking?

3.38 pm

Mike Crockart (Edinburgh West) (LD): I congratulate the hon. Member for The Wrekin (Mark Pritchard) on securing what has turned into a wide-ranging debate on an important subject: public trust in police forces, a subject that is quite distinct from the effectiveness of police forces. Some of the points that he made are very pertinent. It is clear that there are serious problems in the organisation of police forces: for example, the block on good officers developing and being promoted, especially to sergeant, that first hurdle of promotion. The 30-year limit on the service of police officers and the cost of the generous pension system are also issues. However, we must be careful not to damage the way policing works when we discuss whether that is effective or not. We need young, fit and able officers, but we also need the huge experience of older and perhaps less fit officers, who can often defuse situations, negating the need for a chase in the first place.

I want to concentrate on some of the factors that I feel have contributed to the decline in public trust in the police service over recent decades. The central question to which we inevitably return when discussing policing, and with which I have wrestled for 20 years since starting as a serving police officer, is: what are the police for? I must admit that 20 years ago I held a narrow view of police functions, having had the relevant sections of the Police (Scotland) Act 1967 drilled into me. Much of that Act deals specifically with crime and its prevention, but it contains nothing about increasing public trust in the police. It was my firm belief then that it was the role of politicians, not the police, to deal with the fear of crime.

However, it should not come as too much of a surprise that, now that I am a politician, my view has changed substantially, although my experiences over the past 20 years have fed that change of mind. Back then I served as a beat officer, focusing entirely on crime, and community officers dealt in the main with building links with local communities, schools and businesses. When officers were needed to police demonstrations or football matches, it was generally those community officers whose duties were changed, not mine, which reflected the absolute focus on crime.

That has continued over the past 20 years, unfortunately aided and abetted by the previous Government's top-down focus. For the 13 years Labour was in government, it continually undermined local police forces by creating central crime targets dictated from Whitehall. That means that the Home Office now judges a police force on how many crimes it detects and clears up. That measurement is the opposite of what I think we should be looking for from local police services.

The public do not necessarily want the police to be good only at solving crimes after they have been committed; they also want them to be good at preventing them. When I started serving, it was considered to be a good night when a PC came back from the beat and no crime had been committed and no victims had suffered loss or injury. With Whitehall targets, it is now considered to be better for a PC to have spent an entire eight-hour shift dealing with arrests, regardless of the nature of the offence. That culture of central target setting has put pressure on officers to behave in ways in which they might not otherwise choose to act, focusing on otherwise minor offences in order to reach targets and criminalising many groups that have traditionally been supporters of the police. That is not new. I remember being taken as a probationary constable to a local shopping centre in Edinburgh to be shown by my sergeant how easy it was to catch people as they left the car park without having put their seatbelts on. Remote target setting has many such unintended consequences.

[Mike Crockart]

New responsibilities have been placed on police forces, such as the recently scrapped policing pledge and confidence targets. More than 4,600 new criminal offences have been created since 1997—more than 28 a month. All that massively increases bureaucracy and overloads police officers with paperwork, removing them from the streets where the public time and again say they want to see them. Surveys continue to show that many people's top priority for policing is to see more bobbies on the beat.

Those new responsibilities also serve to promote the indiscriminate targeting of groups, using methods that are unacceptable to the public but which police forces may feel they can justify through the potential rewards of producing statistics that show how they are dealing with a particular Government priority. A recent example saw residents in Birmingham's Sparkbrook and Washwood Heath neighbourhoods told that hundreds of CCTV cameras and automatic number plate-reading cameras were being installed to monitor speeding vehicles and antisocial behaviour among youths. Just days before the cameras were turned on, however, an investigative reporter found that those cameras were to be used by the Home Office and MI5 to monitor people entering and leaving those predominantly Muslim areas.

A follow-up report by the Thames Valley police commissioner gave a damning assessment showing that officers failed to comply with national CCTV regulations or to conduct proper consultation. They did not obtain statutory clearance for the use of covert cameras and there was little evidence that officers had even considered their legal obligations. Furthermore, attempts by the police to conceal the true purpose of the project caused significant damage to community relations, with one community leader reporting that relations had fallen back by at least a decade.

Mr Stewart Jackson: With all due respect, it is easy with hindsight to criticise West Midlands police for that operation, but we do not know, and never will, what potential terrorist or criminal outrage that surveillance may have prevented. It is slightly unfair of my hon. Friend to take that case in isolation, because it is the duty of all police forces to remain utterly vigilant in an age of international and national terrorism.

Mike Crockart: I thank my hon. Friend for his point, but that is the defence that is used when none other can be found: "We know things that you don't." In fact, what is being said is: "We may know things that you don't." That justifies any means by which communities are policed, which simply is not acceptable. Clear guidelines have been laid down for looking into those offences. We are having a major review of much of the terrorist legislation that is being used for such measures. I hope that we reach a position where we can deal effectively with such concerns and potential problems without using the types of behaviour that have damaged public trust in that police service.

Another example, highlighted this week in *The Guardian*, demonstrates the far more serious flipside of the racial problem outlined by the hon. Member for The Wrekin in relation to policing and justice more generally. It showed that, per capita, seven times as many black Britons were incarcerated than white Britons, which is an even higher ratio than in the United States, where four times as many black people are in prison than white people. Those data, which come from the recently published Equality and Human Rights Commission report on fairness in Britain, show just how much of an effect decades of racial prejudice in the criminal justice system have had on the black community. Another figure that is particularly striking, and that again goes to the heart of the targets culture, shows that black Britons constituted 15% of the stop and searches in Britain in 2008, despite making up only 3% of the population.

All the factors that I have outlined contributed to public confidence reaching new lows. In response to that, Labour again reverted to type, refusing to acknowledge that central meddling was the culprit, and tried to deal with the problem through targets, setting a target for improving confidence in forces' local crime and disorder-fighting strategies by a minimum of 12%. It also set a national confidence target, to be measured by annual surveys.

What is the answer? How do we reconnect the police with the public they serve? There must be a wholesale revision of the interaction between the police and the public. The coalition's plans to bring in locally elected police commissioners is certainly a step in the right direction, and there is certainly something to be said for increasing the local accountability of police forces. If communities are involved, they will be able to have more input into the priorities of local police forces, which will go a long way towards restoring trust in the force.

Keith Vaz: I ask the hon. Gentleman the following question because he is a former senior officer: does he think that, within the proposals for elected police commissioners, operational independence is guaranteed?

Mike Crockart: As it stands, the position is that operational independence must be maintained, and I would argue that it must be sacrosanct. To a large extent, operational decisions have to be made quickly, but that may not be possible under new structures. The amount of information that is needed to make such decisions is immediately available to senior police officers, and they are absolutely the right people to make those decisions.

I have some concerns about the detail of the scheme. I feel that it is probably not local enough, so I hope, as we have urged in our submission to the Home Office, that the plans will be trialled to ensure their effectiveness. It is clear that accountability for policing priorities and dialogue between the consumers of policing and the providers of it need to happen at a much lower level, and in a much more regular and inclusive way. Only by doing that will we restore a degree of public trust in the police and, in so doing, re-establish the principle of policing by consent. That will ultimately answer my original question, what are the police for? This is about working with and in communities to improve people's lives.

3.51 pm

Vernon Coaker (Gedling) (Lab): It is good to serve under your chairmanship, Mr Bayley. As in the film, I am back to the future in coming back to a role that I had 15 months ago. It is good to see my right hon. Friend

the Member for Leicester East (Keith Vaz), Chair of the Home Affairs Committee, still in his place. He made his contribution in the thoughtful way in which he normally tries to take forward debates. Many of us will be in Cannock Chase to contribute to the seminar that he has arranged. Some interesting points have been made, and I would like to deal with some of them before the Minister responds.

The hon. Member for The Wrekin (Mark Pritchard) made some important points and discussed important challenges for the police. The concern that my hon. Friend the Member for West Bromwich East (Mr Watson), I and one or two others have is that, despite the hon. Member for The Wrekin's making a caveat at the beginning and end of his remarks, about individual cases and about casting aspersions on the whole police service, some of the high-profile cases and incidents to which he referred do just that.

The hon. Member for Newton Abbot (Anne Marie Morris) asked why fear of crime goes up when crime is actually falling. I shall refer to that further in a minute. If a particular problem or scandal is splashed all over the newspapers every day—such things should be publicised, of course; I am not saying that they should not—that is what happens.

I was the police Minister when we had the horrific spike in knife and gun crime. Unfortunately, I understand from the figures that there is some suggestion that it is happening again this year. One would go to areas of the country where there had not been a stabbing for years, yet people were frightened of being stabbed.

The language and tone of any debate about trust and confidence in the police are fundamental; that was the problem to which my hon. Friend the Member for West Bromwich East referred. He raised several serious issues. No one would condone corruption, brutality or police officers thinking that they are above the law. That is why my hon. Friend gets so cross about the phone hacking, and why he wants answers and a proper discussion of the matter. At the end of the day, it is knowledge that enables public trust.

The House of Commons Library pack to inform this debate on public trust in police forces is excellent. It highlights several unacceptable things that have happened and which have seriously undermined confidence and trust in various areas. However, if we let those become the narrative and the story for the whole of the police, we will have a real problem.

I have the Home Office's crime statistics from July, which were published by the Minister. He needs to answer this question, because it goes to the heart of the matter. One of the reasons why people do not believe the crime statistics is that politicians often play around with them and pick out bits that prove their points. If they do that, why should people believe the statistics?

According to the British crime survey, crime has reduced by one half since 1995. Does the Minister agree with that? The report states:

> "The most striking new finding within this report is that both the 2009/10 BCS and police recorded crime are consistent in showing falls in overall crime compared with 2008/09. Overall BCS crime decreased by nine per cent...and police recorded crime by eight per cent".

Does the Minister agree with that?

Does the Minister agree that the same report shows that the fear of crime is going up, despite those figures? That is exactly the point that the hon. Member for Newton Abbot made. I am trying not to be party political, but, to be honest, when the new Government saw the figures, they took the bit that was not such good news and headlined it, rather than going for a big banner headline that crime fell by one half since 1995 and that recorded crime and BCS crime were down by 9%. Is not that one of the things that we should be doing, instead of tucking it away in a little press release? That is part of the problem.

We have to use the figures and what the crime statistics tell us. The UK Statistics Authority said that the crime statistics are reliable and that therefore we should use them more than we do.

Mark Pritchard: I dispute some of the hon. Gentleman's suppositions and comments, but if he accepts that the current statistics are complex and confusing, and that there is a variety of ways to collect data on a range of things that the police deal with, why did he not make changes when he was the police Minister?

Vernon Coaker: The point I am making is not so much that the statistics are confusing but that people pick out bits from them to prove their point. The overall crime statistics reflected in both the BCS and recorded crime figures show significant falls in crime. What should we do, if we want to ensure people's trust and confidence in the police? What confidence can one have in the police?

At a recent conference, the Home Secretary said that the biggest factor was whether crime is falling in police force areas. She said that that is the measure that we should use to give the public confidence and trust in their police force, and to know whether police forces are being effective.

The hon. Member for Newton Abbot spoke about crime falling in her area. That has to be the banner headline. If we try to undermine the statistics all the time, it is no wonder that people's fear of crime rises.

In discussing how we keep confidence and trust, my right hon. Friend the Member for Leicester East said that some aspects are not hugely difficult. What seems to be difficult is for it to happen in every community in the country consistently and persistently. The things that drive confidence and trust are neighbourhood policing and a visible police presence, as the hon. Member for Edinburgh West (Mike Crockart) said. There will be a debate about whether that has happened or not, but we need neighbourhood policing, visible policing and police being around and responding properly when phone calls are made about antisocial behaviour by a few kids on the street.

We are all constituency MPs. How many people come to us about terrorist incidents? Not many. How many come to us because they phoned up about what may seem a trivial incident but, to the member of the public, is fundamental? If that is responded to, even though it may seem trivial, confidence and trust in the police go up. People are not stupid. They know that sometimes things are difficult to deal with, but they expect that if they are worried about a kid who keeps banging on their door, somebody will say, "Yes, it should not happen.

[Vernon Coaker]

We are very sorry." In the best cases—in an increasing number of cases—the police are recognising that and responding in the way that we would all want.

Keith Vaz: The hon. Member for Edinburgh West discussed the targets set by central Government, which he felt were unhelpful to policing. However, as I mentioned in my speech, during the previous Administration I found that central Government were able to pass on good practice. From his experience, does my hon. Friend believe that it could have been done better? There needs to be a better understanding of the fact that the Home Office has a role in ensuring that good practice in one part of the country is occurring elsewhere. If it does not have such a role, who does?

Vernon Coaker: I was coming to the point about good practice. My right hon. Friend is right. The Home Office does have a role, as do the police, police authorities and others, in disseminating good practice and good information. We have talked before about good community engagement, good communication, informing people about what is going on and having meetings. All those things are fundamentally important, as is answering letters, and so on.

The Home Office has a responsibility for disseminating information, whether through websites or in other ways. I am interested in whether the Minister believes that that is so and whether he will deal with some of the issues that right hon. and hon. Members have raised this afternoon, notwithstanding his not agreeing with certain cultures and targets. What role does he think the Home Office has to play in driving up confidence and helping restore trust?

Briefly, on trust and confidence, my experience is that the Minister has responsibility both for police and criminal justice. In respect of confidence and trust in the police, the issue is not only about what the police do, but what other bodies, including local authorities and local councils, do. What those bodies do drives trust as well. For example, the clearing up of graffiti and things like that makes a difference.

How the police interact with the criminal justice system is fundamental. There is a big issue here. Sometimes the police get blamed for the criminal justice system not working effectively with respect to the police. We need to get better in respect of one thing in particular. One of the biggest confidence and trust builders is for local people to know that somebody who is causing real problems in their area, and is arrested by the police and taken to court, has been dealt with by the courts and taken through the criminal justice process.

I should be interested in hearing what the Minister expects from the spending review. Other hon. Members have mentioned what will happen with respect to the coming cuts. We have all talked about visible policing and the importance of officers on the beat. How on earth are we going to maintain police numbers and the current numbers of police community support officers? How are we going to cut bureaucracy if police staff are going to go? What will happen to the number of police stations? What will happen to police station opening hours? What will happen to confidence and trust in an environment where all that is happening?

We are talking about trust and confidence in the police. Part of the modernisation of the police has been the establishment of a number of specialist units, which some people regard as a waste but I think are fundamental. Domestic violence would not have been tackled to the extent that it has were it not for the training and development of specialist domestic violence units in many police force areas.

The same is true of sexual violence. Victims of sexual violence want to know that a specialist officer is dealing with the case. What is happening to child protection? All those things are fundamental. If we want confidence and trust, it is all very well to say that that should be mainstreamed into police business and into their main work, but often when that happens there is a loss of focus with regard to such matters.

My right hon. Friend the Member for Leicester East mentioned the new national crime agency, which is supposed to take in the Child Exploitation and Online Protection Centre and the National Policing Improvement Agency. I thought that the national crime agency was to be an operational crime-fighting body. The NPIA deals with training, the police national computer and so on. Why would something like that be put into the NCA? If people are to have confidence in the NCA, they want to see a crime-fighting body, not one that encapsulates some of the necessary functions of the NPIA.

Finally, on accountability, the hon. Member for Edinburgh West mentioned elected police commissioners, said that he went along with that proposal and then slightly qualified what he said. My right hon. Friend the Member for Leicester East asked whether those commissioners would have operational independence. We oppose the creation of elected police commissioners. First, will the Minister clarify whether the Government's policy is still, as it was when they were in opposition, to have the power of recall so that another election, to get somebody acceptable, can be held if somebody unsatisfactory is elected as a police commissioner?

Secondly, if the police are still operationally independent, which they should be, of course, what can an elected police commissioner do if he does not agree with what the chief constable does? If the chief constable operates ineffectively, either the commissioner can do something about it or he cannot. How can the elected police commissioner be held accountable if the chief constable is operationally independent—something over which the commissioner has no influence? What will the role of the elected police commissioner be with respect to a chief constable, if the former sees the latter acting unsatisfactorily?

I shall finish where I started, by congratulating the hon. Member for The Wrekin on prompting the debate. He raised some real issues, as did other hon. Members. I say to all police officers out there that the vast majority do a good job in difficult circumstances and they have the full support of every Member of Parliament, notwithstanding some of the difficult incidents that we hear, see and read about. We know that there are bad officers, but we also know that they are not a reflection on the police force as a whole.

4.6 pm

The Minister for Policing and Criminal Justice (Nick Herbert): I congratulate my hon. Friend the Member for The Wrekin (Mark Pritchard) on securing this debate,

on putting his case with his customary clarity and forcefulness and on initiating a debate, to which many right hon. and hon. Members have enjoyed contributing, on a matter that is close to our hearts—the performance of our local police forces and their ability to deal with crime, which is still of great concern throughout the country.

First, I should like to pick up on the last point made by the hon. Member for Gedling (Vernon Coaker) and, in doing so, congratulate him on his new position as shadow Police Minister, which is particularly interesting for him as former Police Minister. He will bring an alarming amount of experience and knowledge to bear and will, I am sure, hold the Government to account through a challenging period for policing. I look forward to working with him as constructively as we can in the weeks and months ahead. I shall return to that subject when talking about crime statistics.

The hon. Gentleman recognises that the overwhelming majority of police officers could not be characterised in any way by some of the things that have been said during this debate. I echo that. I am conscious that, in the past few weeks and months, we have talked about police reform, the challenging spending environment and about the decisions ahead that need to be taken, and that we can lose sight of the fact that, every day, police officers throughout the country work hard to keep all of us safe. The overwhelming majority of them act with impartiality and integrity. Sometimes sufficient tribute is not paid to the work that they do. I should like formally to thank them.

Those of us who recently attended the national police memorial day service in Belfast or the police bravery awards and spoke to the relatives of police officers who lost their lives doing their duty in the past year, including PC Bill Barker, who was swept away when attempting to help people on a bridge in Cumbria during the floods, could not have failed to be anything but struck by the heroism and professionalism of the police and be reminded of the job that they do for us. In the course of this debate about police legitimacy, conduct and accountability, how they respond to us, and their links with the public, we should remember all those officers and what they do. We should recognise that this is a period of uncertainty for people who work in our public services, including police officers, and we should be sensitive to that.

Although I disagree with some of my hon. Friend's sharper points, the issue, which is essentially trust and legitimacy, is a proper one to raise. He referred to Sir Robert Peel, the founder of modern policing, and quoted his famous seventh principle of policing that

"the police are the public and the public are the police".

My hon. Friend might have quoted Sir Robert's second principle:

"The ability of the police to perform their duties is dependent upon public approval of police actions."

In this country, we have a tradition that policing is not only carried out by consent, but that it flows from the fact that the police are of their communities and have the active support of the public. When that support has ebbed away in specific circumstances, policing has gone wrong. We saw that in the past in the way in which the police interacted with black and ethnic minority communities. When confidence in policing goes, legitimacy also goes. Our leaders in the police service are acutely aware of that important link between confidence and legitimacy.

It may help hon. Members if I add a few metrics to the debate to provide an understanding of the extent to which the public have confidence in the police. The last British crime survey found that overall public confidence in their local police was 69%. That may seem to be high, and is certainly much higher than public confidence in, for example, our profession as Members of Parliament and the media; nevertheless, 30% of respondents said that they did not have confidence in their local police overall. Other figures should make us pause: for example, 50% agreed that the police could be relied on to be present when they were needed, and less than half—48%—agreed that the police could be relied on to deal with minor crimes.

I welcome the fact that the same survey showed that the proportion of people who believe that the police in their area are doing a good or excellent job rose from 49% in 2004-05 to 56% in 2009-10. A majority of the public believe that the police in their area are doing a good or excellent job, but a significant minority do not. On public confidence in the police and local councils, there is a problem with questions that link the actions of both. It is difficult to disaggregate responsibility when they deal with crime and antisocial behaviour issues that matter locally, but only around half of respondents to the survey had confidence in the police and local councils together.

That suggests a number of issues on which we should pause to reflect in the relationship of the police with the public. First, hon. Members have mentioned specific incidents that gave rise to public concern. In every case, there were proper investigations by the authorities and the Independent Police Complaints Commission, but they left an impression—

Mr Watson: Will the Minister give way?

Nick Herbert: I am happy to give way to the hon. Gentleman, but I will respond to his points.

There is a danger, as the hon. Member for Gedling said, that such incidents create a damaging impression of policing as a whole. The problem is accountability. We live in the age of accountability, and people expect institutions and individuals who hold office to be properly and transparently answerable to them. That is right. We must have a system for complaints and the public must be able to take up issues if they believe that police performance has fallen down. We must have an overall system of answerability that commands public confidence and strengthens the links between the police and the public.

The thrust of our proposed reforms is to rebuild the bridge between the police and the public, and in particular to recognise that police forces sprang from local communities. We have never had a national police force in this country. Police legitimacy essentially flows from consent in those communities, and we want to loosen the central grip on policing that my hon. Friend the Member for Edinburgh West (Mike Crockart) described and, in exchange, strengthen forces' local accountability.

Mark Pritchard: The Minister refers to accountability. Does he accept that there is concern among the public, the rank and file in the police and certainly among

[Mark Pritchard]

senior and chief officers that it is difficult to sack police officers who are not doing their job correctly? Will he respond to my earlier comments and say that he will consider the matter, whether it will be part of the review, and whether we can get rid of some of the police officers who are doing such damage to the reputation of the police service?

Nick Herbert: I apologise to my hon. Friend, I will certainly respond to the specific points that he raised, but the review into police pay and conditions, which will be led by the former rail regulator, Tom Winsor, has a free rein to consider all such matters, and the way in which police officers are employed should certainly be one. People are free to offer their views to Tom Winsor and his fellow reviewers. That is reasonable, particularly given the scale of the fiscal and other challenges facing the police and their leaders

I turn to the reforms and the specific points made by the Chairman of the Select Committee on Home Affairs. A key element of our reforms is that police and crime commissioners should be directly elected, thus strengthening the bond between people and the police, and allowing local forces to be held to account. We also intend to introduce transparency. The public should know more about what is happening with crime in their area, and they should know how money is spent by police forces. That principle of transparency should apply throughout the criminal justice system, and from January 2011 we will introduce crime mapping at street level to provide the public with more information about what is happening in their area.

On crime statistics, I agree that we need a non-partisan debate. It is important to build public confidence in statistics, and the political trade about them has been unfortunate. Local crime mapping will give the public unimpeachable information that is directly relevant. I am afraid that national crime statistics are becoming less and less relevant because they are not believed. We have two measures of crime, but the recorded crime figures are susceptible to alteration and the way the figures are collected has been changed, and the British crime survey misses out large sections of crime.

I would like to return the challenge. I am relatively new to my position, and the hon. Member for Gedling is relatively new to his. If he would like a sensible discussion about how we can collect crime figures, so that in future months we do not have a dispute about the figures but talk instead about policy and what lies behind those figures, my door is open. That would be a sensible thing to do.

Keith Vaz: Hear, hear.

Nick Herbert: I note the intervention from the Chairman of the Home Affairs Committee. That is a genuine offer; this is the moment to make such a move.

My hon. Friend the Member for The Wrekin talked about leadership, and I strongly agree with him about the value of leadership in policing. We have asked the former chief constable of Thames Valley police and chief executive of the National Policing Improvement Agency, Peter Neyroud, to conduct a study into how we can ensure the right leadership and training in the police. In the end, however, that must rest with the police themselves. Part of the reforms that we wish to introduce concerns the reform of the Association of Chief Police Officers to ensure that it takes responsibility for such matters in an accountable manner.

My hon. Friend also called for a review of agencies and quangos, and he will be hearing a great deal more about that in due course. We have proposed a decluttering of the landscape surrounding policing by winding up the National Policing Improvement Agency and taking those functions to a new national crime agency.

On the point raised by the right hon. Member for Leicester East (Keith Vaz), I will of course pay attention to all issues and concerns that are raised by people about the whole spectrum of reforms to policing. As he will know, I have been attending to those issues, and I have taken care to pay attention to the views of stakeholders, police organisations and so on.

Mr Watson: There are 30 seconds to go. I asked whether the Minister thinks there are merits in having an outside force investigate the conduct of the Metropolitan police inquiry into phone hacking. Will he respond to that point?

Nick Herbert: I apologise to the hon. Gentleman; I am running out of time. He has raised such matters before. It was and remains a matter for the police, who have made it clear that they will consider fresh information if it emerges. That is precisely what they are doing, and it is right to await their conclusion. Those matters have been debated in the House and are now subject to investigations by two Select Committees. The right way forward is to await the outcome of those latest inquiries.

In conclusion, I believe that the debate about how we structure our police in the future is important. The Government reforms are intended to ensure that we have a strong connection between the police and the public.

Onshore Wind Turbines

4.23 pm

Chris Heaton-Harris (Daventry) (Con): I hope that there will be a number of interventions from colleagues, so I do not intend to fill my 15 minutes; other hon. Members might want to speak. I believe that the Government urgently need to reassess their views about the production of onshore wind power.

Hugh Bayley (in the Chair): Order. Before the hon. Gentleman gets into his stride, I should say that the rules governing 30-minute debates allow for interventions on the hon. Gentleman, or the Minister when he replies, but I have not been notified of an agreement between the hon. Gentleman and the Minister for others to speak. Therefore, if colleagues plan to open their mouths during this debate, it will have to be in the form of an intervention. I hope that that is helpful, and I apologise to the hon. Gentleman for interrupting his speech.

Chris Heaton-Harris: Thank you for clarifying that for me, Mr Bayley. This is my first Adjournment debate and I had no idea what the rules were. Over the next few minutes I will try to explain why I think that the Government need to change their position on onshore wind—I will obviously speak for slightly longer than the eight or nine minutes on which I was planning, but perhaps Members who would like to intervene can help out.

I have a number of questions about that area of policy. The current official Government figure for carbon displacement by wind power assumes that wind power can replace conventional generation at 100% efficiency. That is clearly unrealistic in view of the technical challenges of incorporating an intermittent and highly variable power source into a strictly managed supply system. Reports from Denmark and Germany suggest that the carbon costs of absorbing wind power into the grid are substantial. I assume that that is also true for the UK.

A substantial proportion of electrical power demand is continuous—the base load. The balance is required to respond to demand that fluctuates in many ways, including seasonally, instantaneously, or even at the end of an England game—or, if it was last night's game, not at all. There is no effective or economic way of storing energy on a large scale. Therefore, we have a number of conundrums. The key responsibility of the grid is to ensure that the demand for power is met at all times. That is achieved by ensuring the availability of capacity when needed, and avoiding the generation of unusable power.

David Tredinnick (Bosworth) (Con): I assure hon. Members that I have approached my hon. Friend in person and sought his leave to speak. As he gets into his speech, does he agree that one of the most inefficient uses of wind power, and the most damaging to the local environment, happens when there are one or two isolated wind turbines that are close to urban conurbations, as is proposed at Desford in my Leicestershire constituency? Does he agree that a suitable solution would be to have a fixed distance between habitations and those wind turbines?

Chris Heaton-Harris: I agree with my hon. Friend. If we believe in localism, surely we believe that local councils should be able to set distances between renewable energy projects and dwellings. I like to think that such a measure would be contained in any localism Bill that the Government bring forward, and I would argue strongly for that.

Mark Pawsey (Rugby) (Con): Is not the problem the fact that the determination of where such things are sited is left to local planning authorities? It would be helpful to have guidance that enabled local planning authorities to form a view. The lack of direction from the Government on the issue means that there is massive uncertainty for local residents. Two applications in my constituency have just been made, but residents have no idea about the likelihood of them being determined. The second problem with a lack of national strategy is that local authorities duplicate their efforts in gathering information to form their own individual policies. Does my hon. Friend agree that that matter urgently needs to be looked at?

Chris Heaton-Harris: I certainly agree. In my constituency, Daventry district council will look tomorrow evening at adopting a policy. It is happy to be challenged about the distance that dwellings should have to be from renewable energy projects. All local authorities should develop such a plan because it is local people who should buy into these things.

Guy Opperman (Hexham) (Con): As we are aware, there is guidance in Scotland, which is manifestly different from the position in England. Does my hon. Friend agree that the right way forward would be the adoption of the guidance that exists in Scotland, which protects the 2 km from people's houses on an ongoing basis? If we had that, everything would be a lot simpler.

Chris Heaton-Harris: I agree with my hon. Friend, and I will talk about that point later. It is significant and important with regard to issues of noise and flicker, which I will come on to.

I believe that wind is a burden on the grid. It forces other forms of capacity to be shut down to accommodate wind production when the wind is blowing, and then instantaneously to come back on line when the wind stops. I would like to ask the Minister how much additional gas-fired power capacity—that is the only way that we can power up instantaneously—will be required to accommodate the current targets for wind capacity in the UK? What is the anticipated cost to the electricity markets in lost efficiency and stranded capacity associated with gas-fired plants operating as back-up for wind power? Will the Minister outline the efficiency losses, and the operational and economic impact on other forms of generation that have to modify their behaviour to accommodate the power that comes from wind?

Taking all those factors into account, will the Minister state how many grams of carbon dioxide, or just carbon in general, onshore wind will save per kilowatt hour? Is it not the case that, without massive hydro or other bulk storage, wind capacity must be matched on the UK grid almost megawatt for megawatt by fossil back-up operating at inefficient part load?

[Chris Heaton-Harris]

RenewableUK has publicly acknowledged that profits for wind farm operators are impressively large. That is largely a consequence of the operation of the indirect renewables obligation subsidy mechanism.

Andrew Bridgen (North West Leicestershire) (Con): Is not the crux of the problem the huge amounts of subsidy involved in operating wind farms, as my hon. Friend is explaining? I understand that it is in the region of £20,000 per mast to the landowner per annum and £100,000 possibly to the operator. That is what is driving the keenness to build wind farms, and we are in real danger of the sustainable tail wagging the energy dog.

Chris Heaton-Harris: I agree. In 2006, the National Audit Office highlighted the fact that the subsidy for onshore wind was excessive and gave poor value as a carbon-saving measure. Those costs are borne by the electricity consumer, and the Office of Gas and Electricity Markets has questioned whether the growing level of that indirect and regressive taxation is acceptable.

The high profitability for onshore wind is skewing renewables investment across our country towards onshore wind and away from research and development for other technologies and other remedies such as energy saving and consumption reduction. It is also, as my hon. Friends have mentioned in relation to each of their constituencies, encouraging large numbers of speculative applications for wind farms.

Jim Shannon (Strangford) (DUP): Does the hon. Gentleman agree that, in relation to wind turbines in urban areas and on industrial estates, certain criteria are needed? In rural communities, different criteria are needed. Does he accept that when it comes to finding the correct locations for wind turbines, there is a different balance to be struck for different areas? Different rules apply to different places.

Chris Heaton-Harris: I am not against renewables at all, but I do think that we should try to encourage local communities to buy into these. At the moment, there are speculative applications. A new type of subsidy farming is going on across the United Kingdom.

Andrea Leadsom (South Northamptonshire) (Con): Does my hon. Friend agree that, in our two neighbouring constituencies, the advantage of taxpayer subsidy for these wind farms is encouraging speculative developers to come to not particularly windy places, presumably in the interest of making a few fast pounds on the back of the taxpayer, with no real interest in trying to help the grid and renewables whatever?

Chris Heaton-Harris: I always agree with my hon. Friend and neighbour—I would be foolish not to. Just to prove the point, Northamptonshire is one of the least windy places in the country, and in the constituency of my hon. Friend the Member for Kettering (Mr Hollobone), there is a wind farm at Burton Wold that is operating at 19% capacity on average. That is not helping us to deal with our carbon problem.

Mr David Davis (Haltemprice and Howden) (Con): While we are thinking about the size of the subsidy and the effect on the behaviour of both landowner and operator, does my hon. Friend agree that it is leading to progressively less responsible investment? The example that I want to raise affects both my hon. Friend the Member for Brigg and Goole (Andrew Percy) and me. In my county of East Yorkshire, there have been wind farms of enormous size—400 feet; 125 metres; 40 storeys tall—getting closer and closer to dwellings and, now, less than half a mile from a dwelling. Does my hon. Friend the Member for Daventry (Chris Heaton-Harris) agree that the sheer size of the subsidy is leading to irresponsible investment?

Chris Heaton-Harris: I absolutely concur with my right hon. Friend.

Do the Government believe that the renewables obligation banding for onshore wind is sustainable, necessary or good value for money? Have they considered the effects of the renewables obligation banding in inhibiting renewable diversification? Will the Minister agree at least to conduct a review of the banding for onshore wind?

Noise is a problem that many of our constituents fear when it comes to onshore wind. Different studies show that about 20% of all wind farms constructed in the UK trigger quite serious noise complaints. Since 2009, the wind industry has adopted a new noise modelling scheme that predicts acceptable noise levels much closer to dwellings, leading to planning applications coming forward with big turbines very close to dwellings. There are fewer proposals in remote locations and, as we have just heard, modern turbines are getting bigger.

The Minister knows that his Department commissioned a report. I apologise: it was not his Department, but the Department for Business, Enterprise and Regulatory Reform. The report was on amplitude modulation and in effect concluded that it was not cost-effective to research wind farm noise problems because only a few people suffer from them. That is patently not the case. However, as the Minister knows, his Department was caught out by a freedom of information request that revealed that in 2006 it had instructed the Hayes McKenzie Partnership to remove from a report a recommendation that acceptable night-time noise levels should be reduced.

Graham Evans (Weaver Vale) (Con): I am most grateful to my hon. Friend for allowing me to make an intervention on a subject that has not been mentioned but is relevant to my constituency. In my constituency, there are proposals from Peel Energy to build a large-scale wind farm on the marshes between the Mersey estuary and the villages of Frodsham and Helsby. Those proposals would not just result in the ruin of a beautiful area of Cheshire countryside, but lead to the destruction of wetlands that provide a habitat for numerous species of rare birds. I hope that my hon. Friend the Minister will reassure me that the Secretary of State takes such factors into account when determining these types of application. Some of the structures end up being very close to areas of outstanding natural beauty.

Chris Heaton-Harris: I am sure that Ministers will have heard my hon. Friend's very sensible plea for areas of scientific interest to be looked after.

I was talking about noise. Some of us just do not believe that the Department of Energy and Climate Change is promoting wind farms, and not inhibiting them, by trying to force new noise criteria on the whole

country. It is slightly worrying that the Hayes McKenzie Partnership has been commissioned by DECC to carry out the new noise review that the Minister recently announced. The science around noise seems to be a very moveable feast.

It is my contention that onshore wind diverts valuable resources from other renewables that do work and that people like. In my constituency alone, if we diverted the money that might well be spent on wind power towards other things, such as air source or ground source heat pumps and home insulation, we might well be able to insulate just about every house in the constituency and get people to buy in to this.

George Freeman (Mid Norfolk) (Con): I congratulate my hon. Friend on raising this important subject. It is important, not least in my constituency, where we are struggling with a tidal wave of applications for both onshore turbines and the infrastructure to support offshore turbines, which are often put forward by speculative developers. There is an issue in that respect about the planning guidance. I agree entirely with him about the importance of securing our short-term energy requirements, but also of setting out a proper scientific framework for measuring the different renewable sources that this country could thrive on. Does he agree with me about the importance of identifying those that this country could lead on in a global context? That may not include wind.

Does my hon. Friend also agree that the Leader of the Opposition's statement of 2009 in a documentary when he was Climate Change Secretary, in which he said that it should be "socially unacceptable" for people to be against wind turbines in their area, like not wearing their seat belt or driving past a zebra crossing, is an unhelpful position and one that, now that he is Leader of Her Majesty's Opposition, he might like to review?

Chris Heaton-Harris: I completely concur.

I want to wind up by saying—

Mr David Davis: I am grateful to my hon. Friend for giving way twice to me. I want to pick him up on his kindness to Hayes McKenzie and his gentle language about what was, without doubt, a cover-up of the World Health Organisation guidelines, which said that people, when they sleep, should have an environment at 30 dB. What was said by the Government was something much louder than that—35 to 40 dB. That was a very bad cover-up. Hayes McKenzie was clearly complicit, because it did not put in the public domain what was said. I would like my hon. Friend to tell me whether he thinks that Ministers should undertake to make all the information put forward, in whatever review they do, available in the public domain without limitation or edit.

Chris Heaton-Harris: I would very much welcome the Minister committing to that. Indeed, I have asked him about whether there are secondments from the noise industry to DECC at the moment, and I believe that the reply I got was slightly incorrect. I will contact the Minister.

Andrew Bridgen: *rose—*

Chris Heaton-Harris: I would like the Minister to have time to reply.

There are particular issues with the science behind noise and how DECC handles its contracts and contractors.

Hugh Bayley (in the Chair): Order. The comment about the Minister needing time to reply is an extremely good one.

Chris Heaton-Harris: Thank you very much, Mr Bayley; I was about to sit down.

4.40 pm

The Minister of State, Department of Energy and Climate Change (Charles Hendry): It is a great pleasure to serve under your chairmanship, Mr Bayley. I congratulate my hon. Friend the Member for Daventry (Chris Heaton-Harris) on securing the debate. It is a great shame for the whole House that he did not get an hour-and-a-half debate, because there is no doubt that he and the Members here today could have filled the time.

In the remaining 13 minutes I want to go through the issues raised so far and put them in the context of the role that wind has to play in our energy security and our move to a low-carbon economy. I assure my hon. Friend that I understand the concerns that he and others have raised, and as Minister I have taken some of the actions that are designed specifically to address them. Wind has a contribution to make and an integral part to play in dealing with energy security and tackling climate change. We cannot separate security of supply from a low-carbon economy, we cannot have security of supply without a low-carbon economy and we cannot have a low-carbon economy without security of supply. We see those elements as going together, and without them we will not have affordable pricing.

As hon. Members know, we have seen significant growth in the deployment of onshore wind in this country and we expect it to increase over the years ahead. It will be a low-carbon technology that makes the most significant contribution to enabling us to meet our low-carbon commitments in future, but that must be done in a way that takes account of the views of local communities, and one of the most important changes we shall make will address that: people will see the benefits accrue to their communities from hosting facilities that they may not have chosen.

Julian Smith (Skipton and Ripon) (Con) Will the Minister give way?

Charles Hendry: I will give way this once, but I am concerned about answering the questions already raised.

Julian Smith: Is the Minister shocked at the behaviour of some wind companies? Speaking for my constituents, the bullying of local communities, particularly in rural areas, by wind companies has been shocking. I would appreciate his comments on that.

Charles Hendry: I am not aware of the specific cases to which my hon. Friend refers. If he writes to me, I will be more than happy to look into them.

We have to move to a greater spirit of partnership so that communities can see precisely what they would get out of hosting a facility and realise that genuine benefits would come to them—not necessarily from a wind farm

[Charles Hendry]

but from other facilities, as well. Other countries have gone down a similar route and we are learning from the approaches that they have taken. We have also seen the significant number of green jobs generated here, albeit not as many as we would have wished from the supply-chain benefits coming to the United Kingdom, and the potential that that brings

I realise that my hon. Friends who contributed to the debate are less concerned about that aspect than they are about the implications of onshore wind for their constituencies, so I particularly want to address those issues. We have seen the benefits from offshore wind, but we recognise that communities often feel concerned that proposed wind farms in their areas will destroy the environment or have other negative impacts. We are convinced that, in the policy of localism that we are going to drive forward, local councils should be the driving force in deciding how they want their communities to develop. That is a fundamental part of the planning changes we are making.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): In terms of localism, does the Department look at any measurements? What concerns inhabitants who debate the possibilities and planning applications is that the applications are turned down and then repeated, coming back with one fewer turbine and then two fewer turbines, so they go through the process again and again, and lose all confidence in any aspiration to real localism.

Charles Hendry: That is central to predetermination and to ensuring that more of the work is done through earlier discussion between the developer and the council, so they can agree what they think might be generally desirable. We are making those changes. We also need to ensure that we have lead authorities with particular expertise in handling such applications. Many authorities have not dealt with such applications before and do not know how to handle them when they come through. Finding ways to build a genuine body of expertise within local authorities is part of the approach we are considering.

We removed regional spatial strategies and the top-down regional energy targets, because they moved us away from the localism we want. We are committed, in relation to applications for below 50 MW, to local communities and local councils deciding how their areas will develop. The new planning framework will cover all forms of development and set out national economic, environmental and social priorities. Tackling climate change and ensuring our energy security will be among our top priorities, but as I said, we want communities and individuals to own a stake in our collective low-carbon future. That is why we are looking at how local communities can benefit from business rates staying locally, and why we want more genuine community ownership of applications, so that people can see the link between hosting a facility and the benefits that it brings directly to the local area and to the services that people care about.

Mr David Davis *rose—*

Charles Hendry: I am running seriously short of time, but in view of the immense seniority of my right hon. Friend, how could I say no?

Mr Davis: We welcome everything that the Minister has said so far, but sometimes local community advantage cannot overwhelm the destruction of people's lives. They will be protected only by leaving the decision at local level and not overruling it time and again at a central appeal.

Charles Hendry: Where a case goes to appeal, it will be decided only in relation to the wider planning guidance that the Government set out. If it is felt that the guidance has not been adhered to in making a determination, it is entirely proper that there be an appeals process. In the spirit of fairness, we all believe that it is right that if an application is turned down at one level, people should continue to have a right to appeal for a redetermination. It must be done within the spirit of the rules set down, and that is absolutely key to what we are saying.

In the debate, we have heard a call for the transfer of support from wind to other renewable sources. We do not see wind as the ultimate solution on its own. It has a part to play, but we supported the banding of the renewables obligation certificates, because that started to give more support to emerging technologies, which need more help to come to fruition. The UK should lead the world in marine technologies, and the steps that we are taking elsewhere will ensure that, certainly by the 2020s and beyond, this will be the natural place in the world for people to come to develop those technologies. In the meantime, we need continuing diversity, and that includes wind. We cannot rely entirely on one low-carbon technology. We expect other low-carbon technologies to come through, particularly nuclear technoiogy—without subsidy—which we are making progress on, as well as clean coal and coal with carbon capture. We expect the widest range of renewables possible in the framework.

Onshore wind is one of the most cost-effective and developed of all renewable technologies, and has almost zero marginal cost, because once the facilities have been constructed, the cost of the energy—the wind—comes without charge.

Andrew Bridgen: *rose—*

Charles Hendry: I hope my hon. Friend understands that many points have already been made in the debate and it is crucial that I have a chance to respond to those in the remaining few minutes.

The renewables obligation has been banded to incentivise investment in other technologies, but what is critical about the ROC is that if the wind does not blow strongly, there is not as much income, because the money received is directly related to the amount of electricity generated. It is based on payment per megawatt hour of power generated. Therefore, if a wind turbine is located where the wind does not blow much and where the turbine does not turn much, very little revenue is returned to the area. That was one of the most important aspects of taking such an approach. It is also linked to the wholesale price: if the price drops as a result of there being a huge amount of supply in the system but not a great deal of demand, the amount of money that goes back is reduced. That recognises the changes in demand and supply found more generally in the system.

We recognise, of course, that wind is intermittent. As my hon. Friend the Member for Daventry said, back-up is required, including from gas, coal or biomass. It could also be done through storage—pump storage and hydrogen or battery technologies are coming through at an impressive rate. That will start to move the technology on from working only when the wind blows to allowing electricity to be available when people need it.

However, there is another side to the argument. Sizewell B, one of our more recent nuclear power stations, has been out of operation for seven months. In that time, it did not produce a single unit of electricity, but our wind system produced 1.8 TWh of electricity, the equivalent of the annual consumption of 400,000 homes. We believe that security of supply comes from a mix of technologies. We cannot put all our eggs in one basket. Having a mix means that if there is a problem in one part, we have a better chance of keeping the lights on, and doing so affordably.

Turbines generally turn about 70% of the time. The load factor figures suggest that it is lower than that, but the turbines may be turning at a relatively low speed for 70% or 80% of the time; there are only a few hours when they are not generating. There was a period at the beginning of the year when they were contributing perhaps only 0.1% of our electricity consumption, but recent figures show that they have been producing 10%. The figures fluctuate, and they need to be seen as part of the totality of what is necessary.

In the time that remains, I shall touch on some of the other issues in the debate. On noise, my primary concern is that the issue is not being treated similarly in all parts of the country. The report that I have commissioned from Hayes McKenzie will consider how noise is to be interpreted to ensure uniformity. It does not seem right that it should be considered in one way in Northamptonshire and in another in East Yorkshire. I assure the House that in appointing Hayes McKenzie I considered who it had worked for to ensure that it can work for local authorities on one side of the equation and wind developers on the other. I want to be convinced—I have been convinced—that the company can provide genuinely independent advice.

My right hon. Friend the Member for Haltemprice and Howden (Mr Davis) spoke about the previous report. I understand that certain issues were removed before I became involved in this work, relating to things that were outside the initial scope of the report. However, I give an absolute assurance that the Hayes McKenzie report will be published in its entirety and that it will be subject to peer review, so that we can clear about what needs to be done. There is a further review on amplitude modulation by RenewableUK. That, too, will be subject to peer review. I hope that will help to complete the picture.

Other issues were raised this afternoon, and I hope to have the chance to write to my right hon. and hon. Friends to ensure that they have a complete response.

Coal-burning Power Stations

4.53 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I am grateful, Mr Bayley, for having the chance to speak on the future of coal-burning power stations. This debate follows one on wind turbines, in which we heard about some of the problems caused by such turbines that have been constructed in constituencies throughout the United Kingdom.

I regret that the 13 years of the previous Administration were largely wasted when it comes to pursuing green technology. There was a great deal of hot air, and the former Deputy Prime Minister made many promises that Great Britain would lead the world in such matters. However, we are regrettably behind the curve. That is surprising, because we have some of the greatest institutions in the world, including Oxford and Cambridge, and many engineers and scientists of world renown. We are blessed by that pedigree of innovation and pioneering technology, yet for some reason we are significantly behind other European Union countries on this issue. That is a matter of profound regret.

I hope that the Minister will take on board the fact that we need a co-ordinated Government approach to bringing those scientists together with energy suppliers and other specialists, so that we can work together with the private sector to ensure that future energy generation requirements are provided in the most cost-effective and efficient way. We should not flinch from learning from the experiences of other countries.

As was mentioned in the previous debate, wind will play a part and so will natural gas and solar energy, but I wish to talk about existing coal-burning power stations. What are the Minister's policies on helping those power stations to convert to clean coal technology or biomass? He will know that European Union directives say that if they are not converted they will be forced to shut. What is his Department doing to help those power stations to convert?

The reason why I feel so passionate about the matter is that we have a major coal-burning power station in my constituency of Shrewsbury and Atcham. The Ironbridge power station is capable of generating 1,000 MWe. It is located in the Severn gorge, only half a mile upstream from Ironbridge, which is a world heritage site. It produces enough power to supply 750,000 homes. I am proud of the fact that we have such an important facility in my constituency.

The station's two 500 MWe units can each produce 12 times more power than Concorde's jet engines. The low-pressure blades are nearly 1 metre long, and with the turbine turning at a fixed speed of 3,000 rpm, the speed of the tips of the last row of blades is approximately 2,000 kph—twice the speed of sound. I give those statistics because we should be proud of the technology in Shropshire. It would be a travesty—a calamity—if that power station was forced to close as a result of EU directives.

I was on the telephone earlier today to Mr Bryson, the manager of the power station, which is operated by E.ON. He informed me that the station has 200 employees. As the local Member of Parliament, I am primarily concerned with those people's jobs. I hope that everything can be done to support the continued production of

[Daniel Kawczynski]

electricity at that plant. I have toured the plant on several occasions, and I have seen that it uses crushed nut shells from Africa; that accounts for about 4% or 5% of what is burned there, although it is obviously nowhere near enough to comply with the European Union directive.

I invite the Minister to visit the Ironbridge power station. When he next travels to our part of the west midlands, I shall treat him to a lovely lunch in Shrewsbury. I would like him to see the power station at first hand, and the tremendous economic benefits that it gives not only to Shropshire but to the whole of the west midlands.

Mr Mark Spencer (Sherwood) (Con): I am pleased to hear my hon. Friend talk so positively about the coal industry. I hope that he recognises that, globally, there is more than 200 years of coal provision to meet the energy needs of the world. I am glad to hear him talk about clean-coal technology. Does he recognise that there is an opportunity for business in this country to develop clean-coal technology and export it to the world, thus creating a brand new industry and allowing us to lead the world?

Daniel Kawczynski: Yes, but I am primarily focused on biomass at the moment. Of course clean-coal technology will be an option, and I very much hope that the Minister will respond to that point.

In summary, we can see that the future of coal for UK generators relies heavily on carbon capture and sequestration technology. What has been clear for some time is that CCS is some years away from being economically tangible, and it will take either substantial subsidies or technological breakthrough to make it viable. There are certain difficulties with coal, but I accept, and I hope that the Minister accepts, that that is a possibility. What I hope the Minister will tell us today is what his Department thinks about the prospect of importing biomass for existing power stations, so that they can continue to generate electricity. Moreover, will he tell us what support can be given to them so that they can convert the technology to take in the biomass? Biomass needs full support at this stage from a regulatory and fiscal standpoint, and I very much hope that the Minister's Department will work with E.ON to ensure the survival of Ironbridge power station.

As I said, I have spoken with Mr Bryson, the manager of the Ironbridge power station. This afternoon, he replied to me, saying:

> "As you rightly say biomass is one of the options for the…coal plant and we've welcomed the DECC consultation on potential support under the Renewables Obligation for converting existing fossil plants to dedicated biomass. We support this in principle and look forward to the conclusion of the consultation. You might find it helpful to ask the Minister about the progress of the consultation and the impact on closing coal capacity in the UK."

I should like to speak for longer, but I am conscious that my hon. Friend the Member for Selby and Ainsty (Nigel Adams), who has the important Drax power station in his constituency, wants to speak. I will therefore conclude my remarks by saying that senior citizens form one of the largest groups of electors in my constituency, and an important forum for senior citizens has more than 7,000 members, which makes it the biggest organisation in the whole of Shropshire. Time and time again, I get representations from senior citizens about their concerns over heating bills and how their pensions do not keep up with the rising costs of energy. I hope that the Minister will assure me that everything possible is being done to ensure that energy and electricity production in this country will be maintained, improved and increased so that senior citizens, businesses and others will not suffer from vastly inflated electricity and energy prices.

5.3 pm

Nigel Adams (Selby and Ainsty) (Con): I thank my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) for securing this important debate and for allowing me a few minutes to voice my support for the future of coal-burning power stations. The future of such stations is clearly important to me, because my constituency is home to two very large coal-fired power stations at Eggborough and Drax; I also have Ferrybridge on the border of my constituency. Drax is one of the biggest employers in the area and is the largest, cleanest and most efficient coal-fired power station in the country. With a 4,000 MW capacity, it meets the electricity needs of around 7% of the UK, making it a very significant power station.

Coal was responsible for about 44% of electricity supply during the cold spells last winter. Its ability to respond quickly to demand makes coal-fired generation a vital contributor to security of electricity supply. High availability and reliability are among its two most notable qualities.

The UK's current dependence on gas is potentially dangerous. Gas consumption is marred by price volatility and threats to supply from overseas, with more than 80% expected to be imported by 2015. It is clear that the elimination of a significant amount of coal-fired capacity from 2015 onwards could present a real supply security problem for the UK. As it stands, supplies of coal are four times more abundant than gas, with 200 years of supply, 40% of which comes from OECD member countries.

Andrew Percy (Brigg and Goole) (Con): As my hon. Friend is no doubt aware, Drax has a huge impact on my constituency, too. It is all I see from my front window. However, does he not agree that although we are strong supporters of coal-fired power stations, there is a real potential in the Yorkshire and the Humber region, with its depleted oilfields, for us to pursue clean-coal and carbon capture technologies, which could bring more jobs to our region?

Nigel Adams: That is a fortuitous question, because I am just about to talk about CCS. I believe that the coal-fired generation sector has a crucial role to play in maintaining secure and reliable electricity supplies, but that the long-term survival of fossil fuel in the energy mix can be secured only if it is fitted with carbon capture and storage. The Yorkshire and the Humber region is ideally suited for a cluster-type approach to CCS, and a regional pipework infrastructure to transport captured CO_2 from all the major industrial sites in the region to the North sea could cut the UK's entire CO_2 emissions by 10%.

Like any other sector, to remain viable and relevant, the coal-fired sector needs to be adaptable to change and the introduction of new ideas and technologies. There is a vital role to be played by the coal-fired generation sector in the transition towards a low-carbon economy, most notably through the introduction of biomass co-firing. I have seen such a shift in focus towards a low-carbon economy in action: Drax has committed itself to full conversion of one of its coal-fired generating units from coal to biomass. That is innovative but very costly, and it would not have happened if the single biggest challenge facing the coal-fired generation sector was not reducing its impact on the environment.

Biomass introduction and CCS can be effective ways of achieving a low-carbon economy—that is evidenced by moves within the sector to find greener methods of production. It is important that larger sites feel confident enough in Government support to take new steps in finding alternative methods of power production, because where large sites lead, smaller but equally important sites will follow. I conclude by saying how important a stable and predictable long-term energy policy framework is for the power sector to encourage large scale investments and to instil confidence among coal-fired generators to encourage them to make the significant investments necessary successfully to address the environmental challenge.

5.8 pm

The Minister of State, Department of Energy and Climate Change (Charles Hendry): It is a continuing pleasure to serve under your chairmanship this afternoon, Mr Bayley, in the second of our two energy debates. It is a bit like a lotto double rollover, with many colleagues having the chance to speak about the wide range of energy issues that face us. A common theme runs through the debates, which is the need to decarbonise our electricity supply system, both in the roll-out of renewables and how we decarbonise the mass generation facilities that we have in this country.

Undoubtedly, coal is one of the most important elements within our energy supply system. In general, it produces about a quarter of our electricity. When I visited National Grid a couple of years ago, I found that more than half the electricity being generated was coming from coal plants. There is no doubting the significance of the contribution that coal makes to our energy security. Nevertheless, we must still recognise that coal is much the most polluting form of electricity generation. For example, a coal-fired plant produces about twice as much carbon dioxide per unit of output compared to a gas-fired power station.

Looking forward, I think that it is not a question of whether it is coal, gas, nuclear or renewables that we use; to ensure our energy security, we need to have some of all of those. But nuclear will take 10 years to build, coal with carbon capture is 10 years away as a commercially viable facility and some of the massive roll-out of marine technologies is also 10 years away. In the meantime, therefore, we will certainly need to have more gas in the system and that is why we are also taking urgent action to guarantee that we have the supplies necessary at a time when we are becoming more dependent on imports.

I congratulate my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing this debate and on his customary enthusiasm for everything that goes on in his constituency. In his excellent introduction he identified the key issue—the large combustion plant directive. That directive will require about one third of our coal plant to close down if it has not been fitted with flue gas desulphurisation, or FGD, facilities.

My hon. Friend the Member for Selby and Ainsty (Nigel Adams) will have seen at Drax the scale of the investment necessary for a FGD unit to be attached to a power station. Such a unit covers essentially the same ground area as the original coal-fired power station itself and it costs hundreds of millions of pounds to build. Consequently the companies involved have taken very careful decisions about whether the long-term potential of that plant justifies that investment. However, this is a matter for those companies and at the end of their deliberations they will decide whether they can give that type of plant a new life or whether they will simply have to allow it to use its remaining operating hours and close before 2016.

Mr Philip Hollobone (Kettering) (Con): My hon. Friend refers to the large combustion plant directive. I believe that the capacity crunch will come in around 2017. Is he confident that Her Majesty's Government will not need to seek a derogation from that directive in order to keep the lights on?

Charles Hendry: The evidence that we have is that the crunch, which had looked as if it was coming in around 2017, is now further out. The recession has reduced demand for power by 6% or 7% and demand has not come back up to the levels that it had been at before the recession. So, there is a crunch coming but it will now come towards the end of this decade.

However, that does not mean that we are off the hook, because following the LCPD is the industrial emissions directive, which will deal predominantly with emissions not related to CO_2. That directive will close down much of our remaining coal plant if the measures are not taken to ensure that our plant complies with it.

We have a mountain to climb and it is right that we should look at the range of options available to us, so that we can ensure that we have the generating capacity that will be so central in the future.

My hon. Friend the Member for Shrewsbury and Atcham also raised the issue of biomass. I am well aware of a company that is looking to convert the Ironbridge power station to a biomass facility. I am due to come to Shrewsbury in early December. It may be that I can meet representatives of the company then, or I can meet them in London if that is more convenient. I am very keen to learn more about their plans and to learn about how the use of biomass can provide continuity of output, production and employment at the Ironbridge facility.

We see biomass as having a very significant role to play in the energy sector. It can enhance our security of energy supply, because much of the biomass can come from our own indigenous resources. However, we know that sometimes the biomass comes from other parts of the world and we must be certain that the sources of biomass are indeed sustainable. Biomass is also dispatchable; in other words, it can reflect and respond to the peaks in demand. So, if there is a need for back-up capacity, a biomass plant can ensure that we have the continuing output that will be necessary, just as a coal plant can.

[Charles Hendry]

Without doubt, large scale dedicated biomass plants can deliver significant levels of renewable electricity by 2020. The renewable energy strategy, which was published by the previous Government in July 2009, estimated that electricity from biomass, including biogas and wastes, would comprise about 20% of all the renewable power generation that will be needed to meet the renewable energy targets that we as a country face.

We also recognise that electricity from dedicated biomass is cheaper than some other large-scale electricity sources. If the biomass generation needed to meet the renewable energy target were displaced by more expensive technologies, there would of course be an additional cost to consumers and, in all the discussion of these issues, that is a factor that we should rightly bear in mind, as my hon. Friend the Member for Shrewsbury and Atcham also reminded us

Moreover, in comparison with some other large scale renewables, biomass can generate more long-term jobs relative to the megawatt-hours of energy output. That is due to the ongoing need for biomass feedstocks creating business and employment opportunities across the UK supply chain.

Use of biomass also provides an opportunity to enhance the forestry husbandry that we have in the UK. I believe that about 40% of our forests and woodlands are not under active management. So there is extraordinary potential and a massive national resource there, not only in terms of biodiversity but providing a renewable energy fuel that can make a major difference in this sector.

The Government support the generation of biomass electricity through renewable obligation certificates, or ROCs, which are tradeable certificates under the renewables obligation. In July, we announced that the support for dedicated biomass electricity plants under the ROCs would be "grandfathered". That means that for 20 years the price that they would receive would be guaranteed, up to the 2037 end date of the obligation. I think that that will provide the certainty that investors are looking for.

However, we also recognise that we are receiving more inquiries from generators about the potential of switching to biomass and we acknowledge that we simply do not have enough understanding of the potential of that switch and what it can contribute. So we have called for evidence as part of our consultation on the ongoing work of the renewables obligation. That consultation will close on 19 October and we want everybody who has an interest in this issue to respond—I certainly hope that E.ON will contribute—so that we can understand the full range of interests and ensure that we can put a system in place that will encourage us to go forward.

Daniel Kawczynski: Can my hon. Friend tell me the best way for anyone who wishes to contribute to that consultation to participate in it? Is it just to write to him directly?

Charles Hendry: My hon. Friend asks a very apposite question. Anyone who wishes to participate can access the consultation through the Department of Energy and Climate Change website. Alternatively, they can write to me, or to my hon. Friend himself and he can pass any correspondence on to me. They can even write directly to my officials. Whichever way they choose to participate, we will be pleased to have their input and I can give an absolute assurance that it will be taken into account.

My hon. Friend also raised the issue of carbon capture and storage, as did a number of other hon. Friends. I think that CCS is potentially one of the most exciting areas of energy development in the UK. It is an area in which we should be leading the world and in which we are absolutely determined that we will lead the world. CCS can reduce by 90% the CO_2 emissions from a coal plant and we think that it is an area in which we must move forward faster.

In this country, we have the sequestration facilities in the North sea, with the depleted oil and gas fields; we have the skills of people who are used to working in the extremely dangerous and hazardous conditions of the North sea; and we have some of the best university expertise, at Edinburgh, Imperial college, Nottingham and elsewhere, which can be brought to bear to ensure that we take CCS forward. Therefore, we are looking at exactly what needs to be done to make CCS happen.

The coalition agreement was clear that we want to have four power stations—commercial power plants—equipped with CCS, as part of our vision of taking CCS forward. We want there to be a much more rapid development of CCS. *[Interruption.]*

Hugh Bayley (in the Chair): Order. I regret to tell colleagues that there is a Division in the House, so I have to interrupt the Minister.

I ask all colleagues to get back to Westminster Hall as soon as they possibly can. We will start again as soon as the initiator of the debate, Daniel Kawczynski, and the Minister are back in their seats.

Charles Hendry: On a point of order, Mr Bayley. I do not have a huge amount left to say. Would it be appropriate for me to write to colleagues on any remaining points that I have not answered already, if that would be to their convenience?

Hugh Bayley (in the Chair): I can give the Minister two more minutes to conclude, but more than that is impossible.

Charles Hendry: We can certainly cover the remaining points in the course of a couple of minutes, because I think that it would be more convenient for colleagues if I deal with those remaining points now. We will be putting in place—

Zac Goldsmith (Richmond Park) (Con): Will my hon. Friend the Minister give way?

Charles Hendry: If I may, I will give way for 30 seconds to my hon. Friend, because he knows so much about this subject.

Zac Goldsmith: I thank my hon. Friend the Minister for giving way. I will be very brief.

Last week at the Conservative party conference, the Prime Minister, the Chancellor of the Exchequer and the Minister of State at the Cabinet Office, my right hon. Friend the Member for West Dorset (Mr Letwin),

who is also the Minister with responsibility for Government policy, all mentioned CCS, which was very good news for anyone interested in this issue or, indeed, in climate change. Is the Minister personally confident that the coalition Government's commitment on CCS will survive the spending review?

Charles Hendry: My hon. Friend tempts me to go into an area that is way above my pay grade and the Chancellor would be deeply annoyed if I set out the response to the spending review now. We have looked at these things very carefully indeed, we have a clear commitment to CCS and we believe that it has a massive contribution to make. We are rolling forward the development of projects 2 to 4, in addition to project 1. We think that that is part of the way forward. We are determined to make this technology work in the UK and I look forward to working with my hon. Friend to achieve that outcome.

Question put and agreed to.

5.19 pm

Sitting adjourned.

Westminster Hall

Thursday 14 October 2010

[MR ANDREW ROSINDELL *in the Chair*]

Banking in Scotland

[Relevant documents: Second Report from the Scottish Affairs Committee Session 2009-10 HC 70-I and the Government response Cm 7902.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Stephen Crabb.)*

2.30 pm

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Rosindell. Before the sitting, you set me the task of seeing whether I could mention Bermuda at some point in my speech. I am not sure how I shall manage that, but no doubt some opportunity will come up.

The debate is somewhat unusual in as much as it refers to a report produced in the previous Parliament that has been responded to by the Government in a new Parliament. Relatively few members of the Select Committee on Scottish Affairs have survived from the previous Parliament, but two, at least, are here. The new members wanted to make it clear that the report was not necessarily something they were involved with—just in case there was any blame to be distributed, and in case there was a Whip here who might in some way take offence at anything that might have been said. They are still at an age when they are in awe of the Government whipping process. I hope that they feel thoroughly cleared by that caveat.

I want to start by referring to the final recommendation from the Committee, which called on the successor Committee to continue to take the matter forward, and keep it under review and supervision. I am glad that we have today's debate as the first step in doing that, and that the Committee has already agreed to seek further information from the banks. Once we have studied that, I hope that we shall go on to seek further information from several other organisations that we discussed previously, to see how matters have progressed since the report was produced.

This is a quite fast-moving situation. What we said in February drew on hearings that had taken place in December 2009 and in January. We reported in February and there was a Government report in July, and things are not necessarily the same now. Because of the importance of the banking industry to economic life in Scotland, we want to keep the matter under review. I understand that the Minister's reputation does not put him among the worst of the Conservative Ministers—*[Laughter.]* I notice that he disputes that. I hope he will be prepared to work with us on an ongoing iterative relationship to keep the banks under review.

One of the generic problems, I suppose, of the Scottish Affairs Committee is that as a territorial Committee it is not our role to stray into general areas that are properly the remit of other Committees. Just as, in the work that we did on the forthcoming measures on the alternative vote and the changing of boundaries, we restricted ourselves to seeking advice and information from people on the aspects of the matter affecting Scotland alone, so, in the present case, we have sought not to duplicate the work of the Treasury Committee, but to restrict ourselves to considering those aspects that impinge on Scotland. We have looked, therefore, at the impact on Scotland in the context of the banking crisis.

I want to start by setting the report in the context of the banking crisis, a year or so ago. We would all, I think, accept that many of our economic difficulties now flow from the banking crisis. I remember Alex Salmond, as First Minister in Scotland, condemning the "spivs and speculators" who at that time were bringing down the Royal Bank of Scotland; unfortunately, he was not prepared to concede that the spivs and speculators involved were working for the bank at the time. I think that he was looking at the crisis that engulfed the Scottish banks as being of external origin, rather than having been to a great extent home-grown in those banks.

Those who brought down the Scottish banks were in them, working for them, gambling for them and mismanaging their money. We now have the responsibility of moving forward from that. The banks brought a crisis on themselves, but they brought it on the rest of us as well. The impact of the spending review next week will be very much influenced by that—indeed, more by that than by any other single factor.

It is undoubtedly a source of some shame to me as a Scot, and, I am sure, to many others of my Scottish colleagues, that a situation that developed at the Royal Bank of Scotland and the Bank of Scotland resulted in the need for a bail-out—a rescue—by the Bank of England. The Bank of England should perhaps more properly be referred to as the Bank of Britain in this context. It was of course founded by a Scot, and therefore we do not need to feel quite the same guilt that we might have felt had we been bailed out by an external body. Of course, the way in which the Bank of England, acting on behalf of the British Government, was able to ride to the defence and support of the Scottish banks in crisis, demonstrates yet again the strength of the Union and the importance of Scotland's remaining in it.

We must draw a number of lessons from bank failures and the bad behaviour of banks. The main one that the Committee drew at the time in question was that banks and bankers cannot be trusted to do the right thing unless they are under constant supervision. Where the previous Government went wrong was in the fact that new Labour, who in my view were unduly keen to suck up to big money, accepted the consensus, prevalent at the time, that regulation was in principle a bad thing that should be minimised.

I make that criticism of the Government whom I supported, as a valuable lesson, I hope, to new members of the Committee, so that they will understand that it is possible to be a member of a Select Committee and on occasion to be critical of the Government. I hope that that lesson will be supported by the Minister. If Committees are to work properly, there must be occasions when even the mildest criticism of the party to which one belongs is allowed. I hope that I shall be allowed that latitude here today.

[Mr Ian Davidson]

Light-touch regulation became the mantra. New Labour was pressed all around by the then Opposition—now the leading party in the Government—the Scottish National party, the CBI and the City; all of them called for less and lighter regulation, and new Labour went along with that. The bankers ran wild, the system collapsed and we are now in a situation where ordinary people are left to bear the burden. The main lesson that we should draw—I hope the Minister agrees—is that we need to move away from an emphasis on minimising the examination of banks' conduct and on a lack of intervention when they behave in a way that is not conducive to the development of the economy and the relationships we would want within it.

External influence, and the way it needs to be controlled, is beyond the purview of the Scottish Affairs Committee. Therefore we imposed a self-denying ordinance that we would not make recommendations on those matters. I intend to stick with that approach today, although some of my colleagues who have more flexibility in the debate may want to comment.

Julian Smith (Skipton and Ripon) (Con): Does the hon. Gentleman accept that the coalition Government have made some excellent steps in firming up regulation, particularly with the proposals to put the Bank of England absolutely at the centre of the new regulatory regime? I am pleased that he seems to think that a good idea.

Mr Davidson: Yes, I agree with the general thrust of those remarks by my colleague, who is a new member of the Scottish Affairs Committee. I am sure that the Whips Office will have noted that he is keen to draw attention to something that has been done by the Government and with which I generally agree.

The new Government have followed on from the changed policy of the previous Government, who moved away from being quite slack in terms of focusing on the work of the banks, to being much more rigorous and controlling. The new Government are continuing that process. I welcome that; there is no point trying to identify disagreements that do not exist. There are enough disagreements that do exist without suggesting that we disagree on everything. There is substantial agreement in this area and I hope that we can build on it.

During our investigations, we held 10 hearings over seven days and received 16 written reports, all of which were helpful. We also visited the Republic of Ireland. For the younger hon. Members, I should say that was in the days when there was a fashionable concept, of which little is heard now, called the arc of prosperity, which was very much discussed in Scotland.

The general idea of the arc of prosperity was that if Scotland became independent it would become like Ireland and Iceland. For some reason that I do not entirely understand, that is no longer raised by Scottish National party Members of Parliament as much as it used to be. *[Interruption.]* We have just been joined by a SNP Member. Let me tell the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) that the arc of prosperity is no longer raised as much as it once was, largely because it is no longer there.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Would the hon. Gentleman care to inform hon. Members about unemployment in Norway, Iceland and Ireland relative to the United Kingdom and about the gross domestic product per capita in those countries? If he cannot provide an answer, I will.

Mr Davidson: I look forward to hearing it.

Mr MacNeil: Unemployment in Norway and Iceland is lower than in the UK and unemployment in Ireland is higher, so on unemployment the arc of prosperity beats the UK 2-1. GDP per capita in Norway, Ireland and Iceland is higher than in the UK, so on GDP the arc of prosperity beats the UK 3-0.

Mr Davidson: That is presumably why the SNP no longer mentioned it at all. Ever since Iceland's economy became so bad that part of the island exploded, we have heard little about the arc of prosperity from the SNP.

We went across to Ireland because, like Scotland, it was—*[Interruption.]*

Mr MacNeil: I hope the hon. Gentleman went to Norway as well.

Andrew Rosindell (in the Chair): Order. The hon. Member for Na h-Eileanan an Iar (Mr MacNeil) will have a chance to contribute to the debate later. Perhaps Mr Davidson would like to continue.

Mr Davidson: If people just mention the arc of prosperity the nationalists tend to become somewhat overexcited. I understand that and accept that it was my responsibility. I will try not to say anything else that might prove unduly provocative.

Visiting Ireland was interesting because—

Jim McGovern (Dundee West) (Lab): Will my hon. Friend give way?

Mr Davidson: I hope my hon. Friend is not too excited.

Jim McGovern: I will try not to be.

Charges of €50 to visit a general practitioner, €85 per month prescription charges, 25% VAT, 50% income tax and £8 for a pint of beer, which is hard for some people to swallow, are all characteristics of small European countries regularly used as examples by the separatists who want to take Scotland out of the UK.

Mr Davidson: Indeed, all that is true. However, I am in danger of becoming diverted. Far be it from me to allow that to happen. I look forward to hearing exchanges on such matters later.

Our visit to Ireland was helpful and constructive. I want to put on the record that we were pleased that all those whom we met were prepared to be perfectly open with us and that they put everything that we asked for in front of us. That made the trip more interesting, enjoyable and educational than it might otherwise have been.

It is clear that in Ireland there was a sort of crony capitalism, where everybody not only knew each other, but lent each other money. The housing prices in particular

rocketed upwards to such an extent that when the crash came the central bank was not able to bail out those who found themselves in difficulty in quite the same way that we in the UK were able to. Scotland had the great advantage of being part of the Union and therefore the Bank of England was able to bail out the Bank of Scotland and the Royal Bank of Scotland.

Mr MacNeil: Did the hon. Gentleman meet many people in Ireland who wanted to return to being part of the UK or did they feel that being a low-growth area of the UK would mean not being as successful as being an independent country?

Mr Davidson: It is unrealistic to expect that many in Ireland would want to return to being part of the UK, because people there felt that they wanted independence for Ireland even if it impoverished them. Many people we met recognised that, in many ways, they were becoming more of a colony of the UK now than they had been, because high streets in Ireland were run by Tesco and WH Smith, for example.

A relatively small number of Irish businesses seemed to have a presence and they no longer had influence on the UK. People there were unhappy that they no longer had control over their own currency, because, like the SNP, they wanted to—and did—join the euro, which meant that they were unable to devalue competitively in a way that might have produced a boost for their economy. There was much weeping, wailing and gnashing of teeth, as perhaps the Irish are prone to do, about that issue.

There is no doubt that the difficulties faced by the Irish Government and people were exacerbated by Ireland's being a stand-alone economy without control over its own currency. The Irish Government have been making huge cuts in public services—cuts in wages, pensions and services—all of which were going through when we visited. Some of those might come about now, but seeing all that was helpful and constructive.

Julian Smith: The hon. Gentleman seems to be talking about the past. One conclusion of this report is that there is confidence in respect of financial services in Scotland, despite what happened. I believe that this debate and discussions on this topic should focus on how we can use the financial services sector, which has had huge success in Scotland, to create more jobs and private sector investment in this sector from overseas and from Scotland. I am sure that the hon. Gentleman will come on to that later.

Mr Davidson: I am sure that I will. However, the debate is not about the future economic development of Scotland; it is about the Committee's report, which we produced some time ago. My role as Chair is to discuss what we covered at that time and ensure that it is all seen in context.

Mr MacNeil: Given that the hon. Gentleman apparently did not meet anybody who wanted to rejoin the UK, does he feel that Ireland should rejoin the UK?

Mr Davidson: That is a matter for the Irish people, not for me.

Mr MacNeil: What does the hon. Gentleman think?

Mr Davidson: It is a matter for the Irish people, not for us. In the same way, it is for Scottish and Welsh people to decide whether they wish to remain in the UK—and it would be for the people of the Falklands to decide whether they wanted to join the UK and for the people of Gibraltar to decide whether they wanted to join Spain. All these things are matters for the people involved.

Mr MacNeil: Do you have no opinion?

Mr Davidson: It is up to them. That is my opinion. Argyll, I believe, should remain part of Scotland.

Mr Alan Reid (Argyll and Bute) (LD): Bermuda!

Mr Davidson: I thank the hon. Gentleman for giving me the opportunity to mention that. Whether Bermuda should join the UK or cease to be an overseas territory is a matter for the people of Bermuda.

Andrew Rosindell (in the Chair): Order. I think a debate on the overseas territories would be very useful, but this is not such a debate. Perhaps we can get back to the subject.

Mr Davidson: Indeed, Mr Rosindell, I was led astray by bad boys.

I was asked about conclusion 3. The Committee stated in its report:

> "We welcome the optimism of those working in the financial services sector who believe that the reputation of that sector in Scotland has not been permanently damaged by the difficulties experienced by two of Scotland's, and the UK's, largest banks. We are reassured that the quality of the location, the lower costs and the depth and diversity of its labour pool remain attractive to global corporations."

That is particularly welcome in view of one of the Committee's anxieties. We asked everyone we saw whether they believed at that time—the hearings took place in December 2009 and January 2010—that the financial crisis that had arisen from the activities of those working for the Bank of Scotland and the Royal Bank of Scotland would have a long-term impact on the finance industry in Scotland. It was reassuring and supportive of what we were seeking to do to have a clear view from virtually everyone we spoke to that there was no doubt about that. A few people had some doubts, but we subsequently spoke to some of them informally and were reassured that they believed that the waters had calmed and that the Scottish finance industry, although shaken, had not been brought tumbling to the ground. I am glad to see the Government's response to that conclusion, which is:

> "The Government will continue to work with the Scottish Government to ensure that the financial services and banking sectors remain strong in the future."

I hope that they are also prepared to continue working with the Scottish Affairs Committee, as well, to ensure that, as we monitor, we try to pull things together as far as possible.

Jim McGovern: Unfortunately, I must leave shortly, but I wonder whether my hon. Friend and other hon. Members have had the same experience as I have had.

[Jim McGovern]

I was elected in 2005, and hold a surgery every week. Generally, the people coming to my surgeries had problems with tax, pensions, immigration, visas and so on, but in the past year or so, more and more members of the local business community have come to my surgeries complaining about how they are treated by the banks. Is that a common experience?

Mr Davidson: I have certainly had more people coming to my surgeries to talk about how they are being treated by the banks. I am also aware from money advice centres, Citizens Advice and other advice centres in my area that since the banking crisis the number of people complaining about how the banks have dealt with them has risen considerably. One is never entirely sure whether that is because the issues have been given more publicity—what we hear in our surgeries is not necessarily an objective assessment—but it is noticeable that the numbers have risen substantially, and I understand that that is a common experience.

Julian Smith: Does the hon. Gentleman agree that it is worth making a distinction between the bash-a-banker rhetoric, which probably many of us hear in relation to the problems that our constituents are having, and the success that Scotland has had in attracting back-office roles? Those roles have nothing to do with investment banking or lending, but are based on traditional Scottish accounting talents. Thousands of jobs have been attracted from a wide range of international companies to Scotland—to Edinburgh, Dundee and Stirling—and we must pay tribute for that. We must continue to try to attract such jobs to ensure that financial services play a role in making the private sector stronger in Scotland and lessening public sector predominance.

Mr Davidson: I am sure that those points have been noted by all concerned, including the Minister and the relevant Whip. I want to deal with the report, however, and while such matters are fascinating, the report does not deal with them. I look forward to hearing the hon. Gentleman's contribution to the debate, which will no doubt cover anything that anyone misses out.

Let me make it clear that the Committee believes that it is of key importance to continue the supervision of banks in Scotland, because the banks' behaviour and their success will be essential to the growth and development of the Scottish economy. We cannot build up a small or large business sector without having banks in Scotland that are able and willing to lend, understand their markets, and behave constructively and positively. I hope that that covers the point that the hon. Gentleman was making.

We wanted to identify the extent to which lending in Scotland had declined during the economic crisis. Our report contains a series of figures and statements indicating that there was a period when lending was far too loose—the banks had been intent on shovelling money out of the door, almost irrespective of whether the business propositions were viable. We were critical of the way in which bankers often seemed to be incentivised to make loans without due regard to their viability, whether they were for property or to businesses or individuals. The report states that the pendulum then swung too far in the other direction. For a period, banks were unduly restrictive. They were prepared to lend on almost nothing and found excuses to raise charges and interest rates to make it as difficult as possible for money to go out. We have now seen a swing back and there is a degree of equilibrium, but subsequent discussions that the Committee has had have not convinced me that the banks have got it right yet.

Recently, the Committee met representatives from the computer gaming industry in Dundee, the construction and road haulage industries in Edinburgh, and the local chamber of commerce in Dundee. In every case, the story we heard was the same—the banks do not understand us. No one in the construction, road haulage or computer games industries spoke up for the banks collectively. That was interesting, and not a little worrying. Everyone who expressed a view on such matters said that they did not believe that the banks had taken adequate account of the prevailing situation, and did not have a feel for their industry at the moment. They needed loans, floating capital and so on, but the banks were not willing to play along, except at exorbitant rates.

The banks have said that they are making more money available and that part of the difficulty is that lending is going down because companies are choosing to repay debt instead of taking out new debt; but it seems to me that, to some extent, the rates that the banks charge and the conditions that they seek to apply are still inhibiting meaningful lending. The Government and the Committee should give ongoing consideration to that. We have had some responses and updates from the banks involved that seem to paint a picture that is rosier than recently, but we are still receiving feedback from those who want to borrow that the banks are not being as helpful and constructive as they might be. I hope that the Minister and the Committee will be able to work together with the Scottish Parliament to ensure that we develop a mutually advantageous liaison and relationship.

Ian Murray (Edinburgh South) (Lab): Will my hon. Friend comment on the experience that I have witnessed and have been told about since the report was published? A major lending bank in Edinburgh told me that it has more money than it has ever had to lend, but that people are not coming forward to borrow it. I suspect that that might be due to the expectation of those who would like to borrow that they are being priced out of the market, or would not be granted loans.

Another major mismatch in the banking sector is between front-line staff, who have a relationship with industries, and the underwriters in the background. There is anecdotal evidence to suggest that when people seek to borrow money, the front-line staff with whom they have a relationship believe that the criteria have been met, but the underwriters subsequently use different criteria. Has the Committee come across those issues since the report was published?

Mr Davidson: The first is certainly true. We have been told that money is available but is not being taken up, and money is being paid back faster than it is going out. We have not adequately explored the point at which decisions are made, not made, or knocked between front office and back office, and my hon. Friend gives us a valuable pointer. Having met representatives from

three industries that are significant and important to the welfare of the Scottish economy, and having heard the same story from them all, it seems that something is still not right in the relationship between banking and its customers in Scotland.

When we met the CBI representatives, we did not quiz them as directly as we might have done because it was an informal meeting, but the same sort of message was coming back. I know from meeting various development groups in my local area, including construction companies, that people are concerned about the lack of co-operation that they receive from the banks. That is one area of the report where further work is required, and I hope that the Minister will be suitably co-operative on that.

I will now look at how banks deal with individual customers. We all deal with the public and we are aware from our activities and surgeries that there is a fair number of rascals, chancers, villains and incompetents in most constituencies, except my own. The banks are not necessarily dealing with paragons of virtue on every occasion and there are people who borrow irresponsibly. However, the volume of complaints present at the time of our report seemed far greater than could reasonably be expected. The stories that we have heard since from Citizens Advice, and the experiences in my surgery and those mentioned by my hon. Friend the Member for Dundee West (Jim McGovern), suggest that the banks continue to be less than completely understanding and helpful when dealing with customers in financial difficulty.

A number of examples of bad practice are quoted in the report, and it is perhaps appropriate to mention them so that they are on the record. In its evidence to us, Citizens Advice highlighted:

> "Unfair overdraft charges; banks being more aggressive in their behaviour towards debtors; banks encouraging debtors to take out more products as part of their repayment; banks demanding higher repayments from clients in order to repay debt quicker;."

Banks are also using the "right of set off" to transfer cash around people's accounts. None of those are examples of particularly good practice. Many of us were worried by the way that banks were utilising call centres to a far greater extent than we believed was justifiable. In many cases, call centres were ringing up customers several times a day, and they often seemed to be in complete ignorance of arrangements that had been made with another section of the bank. Those call centres were often based abroad and perhaps there were difficulties in communication. The people who rang up and talked to the customer seemed to have no flexibility or power to negotiate or discuss matters, but simply reiterated that they wanted money back. Hon. Members will understand how stressful that was to people who, in many cases, were already highly stressed because of their financial position.

To some extent, the assurances that we had from the banks reminded me of Bart Simpson, who, when he was accused of anything, would say, "It wasn't me, nobody saw me and you can't prove it." The banks tended to say, "We never did that, it wasn't as bad as you say and we don't do it now." Clearly, the banks are now at some pains to distance themselves from some practices that have been going on, but I do not think that they have abandoned them entirely. We have been told that banks now show greater forbearance before taking people through the repossession process, and feedback I have received suggests that that is true. The Government are probably in a better position to clarify the figures. That is certainly a matter that we want to pursue.

We continue to receive feedback from Citizens Advice and other organisations suggesting that cases continue where one arm of a bank strikes a deal with a customer who is in financial difficulties, but another section continues to pursue the customer, irrespective of the deal done; and irrespective of the bank having been notified that somebody wants to use Citizens Advice or another intermediary as a representative, it continues to pursue the customer directly in order to harass them into making additional payments. There must be a degree of responsibility on the part of the banks. We understand that the banks need to try to recover their money, and, particularly when many of them are state-owned and state-financed to a great extent, we do not want to put them in a position where people can escape their obligations, but a balance must be struck. Paragraph 113 of the report states:

> "We conclude that banks continue to use aggressive tactics towards customers who have fallen into debt.".

We should all be concerned about that. We have been told by a number of bank staff that some of the processes and procedures that I have described continue. That is concerning.

Mary Macleod (Brentford and Isleworth) (Con): Let me state for the record that the Royal Bank of Scotland used to be a client of mine.

I suggest to the hon. Gentleman that if customers and constituents are having problems with lending or other general banking issues, they should be encouraged to bring their problems to us as Members of Parliament, so that we can raise concerns directly with the banks. We could give the banks specific examples of where their processes and procedures are going wrong, so that they can deal with them directly.

Mr Davidson: The hon. Lady is in a good position if she can say that the Royal Bank of Scotland was a client of hers. I used to be a client of the Royal Bank of Scotland. Not many of us have it the other way round. She is right—people should feel able to come to their MPs and ask them to raise issues on their behalf, but I fear that in some locations, the Members involved would run the risk of being swamped.

In my early days as an MP I was involved in establishing a money advice centre and a citizens advice bureau, simply because my office could not cope with the volume of complaints it received. We do not necessarily need to meet those involved in such cases directly in order to get information about them. I regularly get information from advice and information centres, which aggregate. There is always a problem for individual MPs when dealing with casework in this and a number of other areas, because one is never certain of the extent to which the problem presented is typical and shared by a lot of people, or whether it is due to a persistent constituent who wants to pursue the matter as far as their MP. Although I accept that it would be immensely helpful if MPs had more information, seeing people individually is not the sole way of getting it. However, I congratulate the hon. Lady on having had the Royal Bank of Scotland as a client. I hope that she treated it better than some of its clients have been treated by that bank.

[Mr Davidson]

I have spoken enough about Citizens Advice; in the accompanying papers, people can read an update from that organisation which indicates that not everything is flowing as well as it might. I conclude on this aspect by pointing out that there are always two elements to a relationship between a group such as Citizens Advice and an organisation such as a bank. First, it is important that the banks are willing to listen, and I think that they are getting better at that. However, they are not necessarily better at the second element, which is acting on what they have heard. Citizens Advice tells us that it has greater access to the banks, and the banks tell us that they have more meetings, but it is not entirely clear that the banks act on the information they receive in the way that we would want.

I want to make two other points. The first relates to the work force. It is important to stress that the vast majority of people working for the banks are not on megabucks—they are not enormously well paid or taking huge risks with other people's money. The Committee had figures indicating that bank employees' average pay was about £28,000 at Lloyds bank and £30,500 at the Royal Bank of Scotland, with the UK average being about £25,000. It would therefore be unfair and unreasonable to say that everyone working for a bank should be the subject of the same opprobrium and be held responsible for the activities of those at the very top. We want to make sure that bank employees at the lower levels are not held responsible or accountable and do not suffer the pain as a result of lay-offs and the like. We welcome the fact that the dialogue between the banks and the trade unions on a number of these issues has improved recently. As we take this matter forward, however, we will want to hear from the trade unions about what happens subsequently.

I also want to touch on the question of bonuses, which is related to the issue of staff but not properly part of the Committee's remit, so I will allude to it only in passing. It was clear from the evidence that we took that the offence caused to many of those affected by the economic crisis by the paying of enormous bank bonuses was disproportionate. The issue was very high up the list of people's priorities, even though people were not necessarily affected by it and notwithstanding the fact that those bonuses might not come to a lot if they were spread across all the bank's clients. People simply saw the bonuses as immensely offensive and unfair, and the Committee's view when the report was drawn up was that if we are all in this together, the Government—whichever Government—should be involved in ensuring that bonuses are curbed as much as possible. I very much welcome the fact that the previous Government dealt with that by introducing a levy and that the present Government have indicated that they intend to do something similar. We look forward to seeing the details.

As I said at the beginning, I hope that the report and this debate are not the end of the process. Given the significance of the banks to economic life in Scotland, I hope that the Committee will continue to keep these matters under review and that the Government will continue to work with the Scottish Government and others to ensure that there is an appropriate and constructive regulatory environment. So much economic development in Scotland depends on our getting our banking right. I hope that Committee members who are here today will be able to add to the points that I have made. I also hope that the Government will endorse the report and its conclusions, as they have already, and agree that most of the conclusions should be taken forward actively.

3.12 pm

Iain Stewart (Milton Keynes South) (Con): I am delighted to make a brief contribution to the debate. Although I represent a constituency south of the border, I retain a great affection for, and interest in, the Scottish banking system. I should declare that I retain my very first current account, which is with the Royal Bank of Scotland, and which I took out when I was in my first job. I hope that that shows that I have some interest in the debate and that what I have to say has some relevance.

The banking sector in Scotland has been a significant player in the Scottish economy for many years, and I hope that it will be for many years to come. I am relieved that, for all the problems that Scottish banks have gone through, they have avoided some of the major catastrophes that have befallen banks in Ireland and Iceland—I mention that with some trepidation because I do not want to reignite the arc of prosperity debate between the hon. Members for Glasgow South West (Mr Davidson) and, if I can get the pronunciation right, for Na h-Eileanan an Iar (Mr MacNeil)—that was not bad. I welcome the Committee's finding that despite all the problems, Scottish banks' reputation for excellence has not been permanently damaged. I am heartened that the Committee found that there are some signs of an upturn in the Scottish banking sector, with new investment taking place.

I want to make a specific point about the responsibility of Scottish banks, and indeed all banks, to promote good financial education among their existing customers and the population at large. I have fond memories of the time when the Royal Bank of Scotland came to my primary school in Hamilton to give us some basic lessons about how banks worked. It set up a small savings account, into which we were encouraged to deposit a small proportion of our pocket money. At a young age, that instilled in me some very basic and good lessons in sound finance. My friends might uncharitably say that I have kept those lessons with me and talk about my hesitation to contribute towards buying rounds and the like, but the lessons that I learned then were valuable.

Over the years, we have lost sight of such things. The events of the past couple of years have shown that all of us, including the Government, individuals, some businesses and the banks themselves, have lost sight of basic prudence—I seem to remember someone else using that word once in a while—which encouraged people to borrow only when it was sensible to do so and only for investment in genuine products, rather than just to fund current consumption. I want to use this opportunity to call on the banks to remember their responsibility. I am sure that they all have specific schemes in place and that they will say that they educate their customers and others in society, but I want to emphasise how important it is that they do that, that they do not lose sight of such things and that they do all they can to boost them.

I was concerned to read in the Committee's report—the hon. Member for Glasgow South West expanded on this—of evidence that the banks are placing undue pressure on customers to take out products that might not be in their best interests and to take on more debt than is sensible. It causes me some concern that the lessons of the past few years have not been learned. I welcome the Government's initiative to establish the consumer protection and markets authority. When the legislation to introduce the authority is introduced, a central part of its remit will be to remind the banks that they have an obligation to promote good financial education and sound financial advice so that we do not get back into a position where everyone—everyone probably is guilty of this in some respect—takes out too much debt, funding their lifestyle rather than sensible investments.

Julian Smith: Does my hon. Friend agree that we must also have transparency about deposit rates and good depositor information? I and other colleagues have constituents who are completely flummoxed by the way in which deposit systems work in banks, and a great deal more morality and transparency in that area would not go amiss.

Iain Stewart: My hon. Friend makes an important point, and I would extend it even further: any banking product should be utterly transparent so that people know what return they will get or what interest rate they will have to pay in the long term. People often get an attractive headline rate of interest for the first year or two, but then find themselves locked into a more punitive rate. As my hon. Friend says, better transparency across the board is vital, and I hope that that, too, will be a central theme of the new authority.

It has always been a central belief of mine that we have sound finance in this country, but we have lost sight of it, and I hope that the lessons have been learned by the banks and everyone else.

3.19 pm

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I should perhaps start by assuring hon. Members that, unlike some of my hon. Friends, I have never been led astray by bad boys. Indeed, I have made a career of challenging bad boys' behaviour and threatening that all sorts of awful things would happen to them if they continued to misbehave. With those opening remarks, I should perhaps move quickly on to the start of my brief comments.

I begin with the place that to me is perhaps the centre of the universe—Auchinleck, in my constituency. A few weeks ago, during an unexpected lull in the excitement of the football match at Beechwood Park, which for the uninitiated is the home of Auchinleck Talbot football club, I felt a tap on my shoulder and a constituent asked whether he could have a quiet word with me. I am not unused to that sort of thing happening. Usually it is about a particular problem, and I am usually able to tell the constituent that he can call me at the office, or we have a chat about it. However, in that instance, the constituent prefaced his remarks by saying, "Before you say anything else, I have to tell you that I am a banker." He went on to make the serious point that often he cannot now tell people what his employment is. He is not one of the high fliers, one of the big bonus earners. He is simply someone in the middle management sections, or rather he was before he was let go—I think that those are the words used these days. He finds the situation very difficult because he personally has faced some of the opprobrium that has been heaped on the banking community as a result of what happened with the banks.

I place on the record my thanks to the previous members of the Scottish Affairs Committee for this thorough report. I will refer to some of its conclusions and recommendations. It was a thorough piece of work, and timely. We can think back to just how awful things were when some of the major banks in Scotland and, indeed, elsewhere were on the brink of extinction. I hope that no matter what side of the House hon. Members sit on, they will understand that Government intervention was necessary at that stage and had to take the form that it took in order to ensure that those banks survived.

I shall focus on a couple of the recommendations in the report. My hon. Friend the Member for Glasgow South West (Mr Davidson) has already talked about bankers' bonuses. It is clear when we talk to ordinary people on the doorstep that that issue is now in the public psyche. I am referring to the fact that many people in the banking system were simply paid far too much, very unfairly, and people did not see what those bankers had done to justify those very large amounts of money, when many of them were struggling to get by, whether on the minimum wage or on very low incomes, and were taking what they felt was the brunt of the crisis. We still have some way to go to convince people that that whole area has been evened out and that we have moved towards a fairer system.

My hon. Friend also referred to another point in the report—recommendation 5 in relation to viewing repossession as the last resort, saying that the banks and building societies should perhaps view matters differently. It took legislation, particularly in the Scottish Parliament, to ensure that that happened, because there were fears that, despite all the exhortations, the banks were still not looking at repossession as the last resort. Many people, particularly sole traders in small or medium-sized businesses, had been required to put their homes up as security in order for the businesses to continue and they found themselves in danger not only of losing their business for lack of finance, but of losing the roof over their head.

Some of the most awful experiences that I have had as an elected politician have involved seeing business men whom I knew to be pillars of my local community and who had contributed a huge amount in the local area suddenly finding themselves in very difficult times, coming to my surgery and breaking down in tears in my office because they felt that they had literally no one else to turn to. I hope that we shall not see any more of those situations and that people will be more sympathetic. In my role in the Scottish Parliament, I was one of the people who pushed for the relevant legislation.

I want to focus on the issue of fair treatment of customers, which has been mentioned and was the subject of recommendation 7. I think that my hon. Friend the Member for Glasgow South West has already referred to the wording:

"We conclude that banks continue to use aggressive tactics towards customers who have fallen into debt."

[Cathy Jamieson]

Citizens Advice has given us an update on what that means for real people living in our communities. It states that, in 2009-10, 135,032 new debt issues were brought to Scotland's advice bureaux, which helped people to deal with those issues. It states that more than 4,200 problems with bank accounts were brought to its bureaux in 2009-10 and that a number of those issues were connected with the interest and charges associated with the account, while a high number were connected with the difficulties of opening accounts. There are still situations in which that occurs, despite all that has happened.

We may talk about high finance and the economic impact of what is happening with the banks on a global scale, but many people living in our communities still cannot get a bank account that they can afford to operate, and of course they rely on that to be able to manage their business. Basic bank accounts are very important, but we should not underestimate the difficulty that people encounter if they do not have a credit history, if they have not been in employment or if they are a young person leaving the care system. In those circumstances, trying to open a bank account is extremely difficult, and there is much more to be done in that respect.

The report mentioned overdraft charges and, again, Citizens Advice Scotland has given us an update on some of the problems that people face. It says that clients report incurring overdraft charges due to mistakes often made by others, including the banks themselves, benefit agencies and companies failing to cancel direct debits.

People will be aware of the case that was taken up by the Office of Fair Trading and pursued very ably by Mike Dailly, the principal solicitor at Govan law centre, in the constituency of my hon. Friend the Member for Glasgow South West. He will know it very well. People still face real difficulties as a result of what are seen by the banks' customers as unfair charges.

Let me give a couple of illustrations, because it is worth having on the record what Citizens Advice tells us. It says that one client

"accumulated over £1,000 in bank charges over a three month period while his bank refused his application for an approved overdraft limit."

The client was overdrawn by £270 and simply wanted an overdraft facility so that he could make arrangements to pay off the money that he owed without facing multiple charges. A single mother was being charged £5 by her bank for every day that she was overdrawn and £25 for every transaction that she made during that period. That woman was living on income support with a five-year-old daughter. Incurring bank charge after bank charge after bank charge, with no assistance to get out of those problems, is no way forward for people in those circumstances.

Again, my hon. Friend was right to highlight the problems in relation to set-off. If anyone has ever lived in a situation in which every penny is a prisoner, and they have to budget and know exactly where their money is coming from and where it is going week to week, they will know that they can manage in many instances because they have a degree of certainty. What is impossible for people on very low incomes to cope with is the unexpected. For some people, the right of set-off means that earnings that were paid into the bank were taken without their knowledge and without any discussion with them beforehand and were used to pay their debts. I am not suggesting for a moment that people should not pay their debts or should not be helped to budget where that is appropriate, but many people on low incomes are very good at budgeting.

What is happening is simply not acceptable. Citizens Advice gives the example of a lone parent's bank taking £400 from her account to repay debts without her permission. After her wages had been paid in, that money was taken out and she had literally no money at all to live on. In another case, a client's bank used the right of set-off to put the client's wages towards arrears on a loan. That individual was working only 10 hours a week and receiving £11 a week in benefits. When they were paid, the bank took the full amount towards the arrears, leaving the individual with no funds whatever. There is more to look at on that.

The banks are saying in their responses that it is now easier for businesses to borrow, but I think that there are still difficulties. I regularly hear from start-up businesses that they have to use personal loans or continue to use their homes or other security. They are not able to access funding that would help to match the start-up funding that may be available for the business, so there is a disjoint in those contexts. There are still difficulties for businesses suffering temporary cash-flow problems. A reputable business in my area with lots of orders coming through contacted me recently. Simply due to delays in receiving payment owed for contracts, they are in a difficult cash-flow situation and looking to their bank to give flexibility, but they are not getting it.

In conclusion, I want to return to where I started in Auchinleck, which is not a bad place to return to, and talk about financial education. The hon. Member for Milton Keynes South (Iain Stewart) mentioned the days when there was a bank book and one could pay in money; in my school days it was into the Trustee Savings bank, and in my constituency it is the Cumnock and Doon Valley credit union, which goes into schools and has a junior credit union in Auchinleck primary school. Ironically, in the same week that some bailed-out banks sent letters advising me that I could go along and hear what they were doing about financial education in schools, I paid a visit to the young people who run the junior savers scheme in Auchinleck primary school. They seem to have got the message pretty clearly. They were involved in taking the money, keeping the accounts and looking at what they were responsible for, which was highlighted when the photographer who came to look at what we were doing asked whether he could have a pound coin out of the cashbox to illustrate what was happening. The young people said no, because he was not a member of the credit union, and it was not his money or their money to give away. I will finish on that very salient point. Others should perhaps take note.

3.32 pm

Mr Alan Reid (Argyll and Bute) (LD): I was not a member of the Select Committee on Scottish Affairs in the previous Parliament, but I want to congratulate its then members on the excellent report that they produced, and congratulate the new Chair, the hon. Member for Glasgow South West (Mr Davidson), on securing the

debate today. I agree that it is important for the Committee to keep banking services in Scotland under review because the banks are obviously an important and essential part of our economy.

The analysis of how we got here is fairly straightforward. For far too long the banks were undertaking far too much risky lending, and when panic broke out, they went to the opposite extreme and lent hardly anything at all. We would have hoped that the situation would improve, but time after time, when I meet the owners of small businesses in my constituency, I get the same story: they are finding it very difficult to get loans from the banks, even for viable projects or when they have a good order book. Often, even established companies find that they cannot get a loan from the bank on reasonable terms.

There is clearly a lack of competition. Business owners tell me that, even if they go to other banks for a better deal, the cost of moving from one to another is prohibitive. They have to pay a break fee to the bank that they are with and pay a joining fee to the bank to which they want to transfer, so the cost of the switch far outweighs any benefit that they might get from a slightly better deal. I hope that the Government will look at that and investigate how we can have genuine competition in the banking industry. Small business owners often say to me, "Please don't write anything down" or "Please don't take this up with the bank", because they are frightened that, if the bank knew that they had dared to complain, the situation would get worse. Although there may not be evidence coming forward, I and other hon. Members I am sure have found that the same problem exists for many small businesses.

I was pleased that the Government response to the Committee report stated that they believed that banks need to promote lending to SMEs better and that they would be working with the industry on disclosure of regional lending data. I hope that the Minister can update us today on progress on that.

Concerns from individuals are often about unfair banking charges, which is a subject that goes back many years. It has not just happened since the banking crisis of two years ago; for many years before that, people complained about unfair charges. Someone may inadvertently go into overdraft for a day or a few hours, and suddenly huge charges appear on their account, and that can often be the start of debt. For someone on a very small income, for whom every penny is a prisoner, a charge of £30 or £40 can be the start of deeper debt.

The previous Committee recommended that the regulatory authorities monitor banks for bad practice. The Government response was that they were introducing measures to end unfair bank and financial transaction charges, on which I hope the Minister can update us. Other hon. Members mentioned the evidence that Citizens Advice Scotland gave in its update for the debate, but it is important to stress it again. It said that banks are listening more, but the problem is not getting them to listen, but getting them to act. I hope that the Minister will look at that and mention it in his response. I was pleased to note that the Government said in their response that they were committed to providing a free national financial advice service and an annual family financial health check, which the new social responsibility levy on the financial services sector would fund. They said that financial support for Citizens Advice Scotland would be considered in the spending review. I know that the Minister cannot pre-empt the spending review, but I hope that we will get good news either today or next Wednesday.

It is important that banks have a presence in local communities, particularly remote communities, which many in my constituency are. Banking managers based in large towns or cities cannot properly understand small remote communities. That issue was brought to the fore last year when HBOS decided to reorganise its small business managers. Until then, managers were based in many communities in my constituency, but it withdrew them. There was complete uproar on the Island of Islay at the thought of losing the local business manager. It is only fair to HBOS to say that the reason why nearly all the businesses on the island were its customers was that it had a local business manager on the island, unlike the other banks. Many small businesses were with HBOS because it had provided a better service. The decision to take the manager away and operate with managers based on the mainland caused uproar, and there was a massive campaign to keep the local manager. It is important that banks have roots in local communities, and HBOS made a big mistake by withdrawing the business manager and having people phone managers on the mainland. A manager occasionally coming to see small businesses is not the correct way to run a banking business.

Finally, on the theme of banks in small communities, I have long supported the campaign for a post bank, and I hope that the Government will take it forward. A bank based at the local post office would provide much better banking services to small, remote communities—both to businesses and to individuals. I hope that the Government will develop the idea, and that we might see a post bank before long.

3.40 pm

Chris Leslie (Nottingham East) (Lab/Co-op): I declare an interest as a trustee of the Consumer Credit Counselling Service in Scotland. I act in a voluntary capacity, with no remuneration. The CCCS is a debt advice charity, which has been greatly active on many of the matters raised by my hon. Friends and others during this welcome debate.

The debate is about a most welcome report. As my hon. Friend the Member for Glasgow South West (Mr Davidson) said, the report, which was thorough and worth while, was published at the end of the previous Parliament. It was incredibly important, given the estimated one in 10 jobs in Scotland that are linked to the long-standing financial services industry. Jobs, of course, have subsequently been lost in Scotland, as they have elsewhere, bank branches have closed, and the whole economy has been affected by the credit crunch.

On this, my fourth day in my new role as shadow Financial Secretary, I anticipate having many debates on financial services and their impact on consumers in all corners of the country. Although I spoke far too much and at great length in my previous guise as a Back Bencher, I will take this opportunity to reiterate my default position on many of these matters and, in particular, on the three clear questions that I believe are fundamental to my new portfolio.

[Chris Leslie]

First, what reforms are necessary to minimise the systemic risk to a well functioning economy and society following the experience of the credit crunch? Secondly, how can we create a thriving and healthy financial services industry in the United Kingdom, including in Scotland, rebuilding it with a reputation for sustainability, solidity and trust? Thirdly, how can we ensure greater fairness for the consumers of financial services products, so that the industry operates on the basis of common sense and fair play?

It is heartening that many of the contributors to this debate not only focused on what might sometimes seem to be ethereal issues between the players in the industry, but considered matters very much from the consumer perspective, speaking of people's encounters with issues that are central to their lives.

The report contains an excellent collection of evidence, taken over a long period, going back to November and December 2009. I am glad that my hon. Friend referred to the visits to Ireland and to evidence heard elsewhere, successfully bringing in the arc of prosperity and making important points on the changing circumstances and the erroneous arguments made by members of the Scottish National party.

Many interesting lessons on the housing market, on public sector deficit reduction and its impact on growth, on the regulation of credit rating agencies and so forth, are all brought out in the report. Perhaps most notable is the impact of the credit crunch on Scotland in respect of changes to the Royal Bank of Scotland and Halifax Bank of Scotland—HBOS—and we should not forget the difficulties that affected Dunfermline building society. The report is an eloquent exposition or post-mortem of the lessons that need to be learned from that period, and it is worth reiterating them.

Julian Smith: The report was eloquent. Did it make the hon. Gentleman reflect on the Labour Government's role in what went wrong, and the lax regulatory regime that had been allowed to develop, which was the source of many of the problems for the financial services industry in Scotland?

Chris Leslie: Certainly we all have lessons to learn from the credit crunch. Countries across the world, including the UK, did not frame correctly the regulatory environment in which financial services operated. That is absolutely clear. However, it reminds me that we do not state often enough that it was the previous Labour Administration who saved our economy from falling over the cliff edge and into the abyss. Although the current Administration sometimes give the impression that they would not have committed the resources necessary to achieve that, I believe that any Administration of any colour would have had to take those steps. I am proud that my party did so, even though that may be the root cause of some of the deficit questions that have subsequently arisen.

Key lessons need to be learned. Too few people had proper cognisance of the true liabilities on the books of our major banks, either because of the complexity of the various products involved or because of the poor risk assessment of those financial instruments. Banks were over-reliant on the wholesale capital markets to finance their investments and lending, which created excessively leveraged positions and left the banks incapable of coping with the freezing up of the wholesale markets. In addition, the underlying market sentiment, which, like the banking practices, had existed for a long time, implied an assumption of continuous expansion, creating expectations of never-ending profitability with high-scale rewards and bonuses, which clouded the judgment of too many practitioners in the sector.

Julian Smith: Would the shadow Minister say that the banks were merely reflecting the zeitgeist and the leadership of the Government of the time by over-extending themselves, living beyond their means and paying far too much for their work force?

Chris Leslie: Much as we in politics might like to think that everything done in the political game shapes society at large, my view is that the economy and society around us—not only in this country but in the world at large—suffered from too much exuberance when it came to the allure and attraction of profitability in that sector. We should have taken a far more hard-headed approach all round. Much as I congratulate the hon. Gentleman on trying to make a party political point about the root cause of the global credit crunch, it would not be fair to pin it on one or two politicians in one or two countries. The problem was systemic and we must all learn the lessons from it; otherwise it will be repeated—and that will affect Scotland as well as the rest of the world.

HBOS was merged with Lloyds TSB to form Lloyds Banking Group, and subsequently took advantage of Government capitalisation, which led to 43% public ownership. RBS received public funds resulting in 63% public ownership, rising to about 84% with subsequent injections of new capital. Special liquidity support and a number of other instruments created circumstances where the Government were very much foisted into the driving seat of our financial services industry.

The Government set a number of conditions, and I am glad that the present Administration have maintained a number of them. They include urging the banks to maintain competitive lending to retail and business customers at 2007 levels and encouraging the banks to deal with several of the failings that they experienced, including issues of remuneration, restricting dividend payments, helping people struggling with mortgage payments and so on. Of course, experience tells us that we still need to hold the feet of the banks to the commitments drawn out of them in exchange for the resources that were given to save their very existence. We should certainly ask the Government and the Minister to what extent they are succeeding.

Stephen McPartland (Stevenage) (Con): I congratulate the hon. Gentleman on his new role as shadow Minister. Does he agree that some of the rhetoric used, such as "holding the banks' feet to the fire", has created an awful situation for many of those working on the front line in the banks, who receive abuse or suffer the emotional difficulties that some Members have described today? We need to move away from that rhetoric and towards the understanding that only a small group of people were involved. The main reason for the banks' difficulties was the lack of regulation in the past 10 years or so. The banks became such complex organisations that

they almost lost control over what they were doing. Unfortunately, it is those now on the front line who are taking abuse for what was done by those who have now moved on to other highly paid roles.

Chris Leslie: I understand where the hon. Gentleman is coming from. It would be unfortunate if a cashier or teller was wrongly blamed by a member of the public for something that their bank or institution had done. I know that only a small number of individuals were involved in what happened, but this is an institutional problem and not just a personalised one. We cannot just change the faces of the directors at HBOS or RBS and expect that all the problems will be ironed out. Although we must consider the regulatory environment, we should understand that the problem is more the culture of the companies in that sector in general. As we know from other circumstances, Government can cajole and set the rules, but ultimately they are not the ones who should be running those firms responsibly. Good corporate governance should have taken a different path; it did not in the credit crunch. I hope that we can get things back on the rails, so that we have a sustainable and solid—perhaps some would say boring—financial services sector in future, and regain some of the trust that the City and the financial services industry both here and in Scotland truly deserve.

The report raises issues that definitely deserve attention. My hon. Friend the Member for Glasgow South West talked about the bonuses paid to high earners and the juxtaposition between ordinary front-line staff and the well paid senior executives. I am glad that the previous Chancellor instituted that one-off bank bonus levy of 50% on discretionary bonuses above £25,000. It yielded £2 billion, which was far more than expected. It will be interesting to watch how the current Administration and the Minister seek to deal with the ongoing concerns of the general public about excessive remuneration. Those concerns are legitimate and need to be addressed to rebuild the trust that is much deserved by those who are genuinely working hard to do their best in a very complex industry.

The hon. Member for Argyll and Bute (Mr Reid) mentioned the willingness of banks to lend to businesses. Discussions are under way with the British Bankers' Association and others, and reports have been published today. We are hearing many conflicting reports. The banks themselves are adamant that money is available, yet the reports that we consistently receive in our surgeries across the country is that small and medium-sized enterprises are finding the hurdles that they have to jump over too high and that, too often, banks are not willing to do business with them. That exerts a lag effect on our economy in general and the problem definitely needs the Minister's attention. We want the commitments that were given at the time of the rescue of the banking sector to be properly enforced. We should also see the public stake in our banking sector activated. Given that the public own that stake, they, like any owner of any company, should be able to ask that lending arrangements are fulfilled in the best interests of our economy.

The Financial Secretary to the Treasury (Mr Mark Hoban): Will the hon. Gentleman clarify whether he is moving away from the previous Government's position of managing RBS and Lloyds Bank at arm's length to one in which the Government play an active role in their day-to-day management and lending decisions?

Chris Leslie: I certainly do not mean in the day-to-day lending decisions. That would be an incredible position for a politician to take with a bank. None the less, our constituents could legitimately say that if we—through the Treasury and UK Financial Investments—hold a stake on their behalf in these large institutions that play such a valuable part in all our lives, but do not ask questions about the commitments that were given and do not scrutinise the attention that banks are paying to those commitments, we are failing in our duties. That is my point. There is a level of active scrutiny, attention and challenge that the Government should adopt in that respect.

It is important, too, to focus on the point made in the report about lending to homeowners. Although it did not crop up often in the debate, that is a problem in Scotland. First-time buyers are more likely to find it hard to get mortgage finance. The deposit currently required is something in the order of 25%, which is an incredible burden on many of my hon. Friends' constituents. The Chartered Institute of Housing says that there are more problems with house lending arrangements in Scotland than there are in the rest of the UK.

Concerns about the fair treatment of customers were well set out. They include unfair banking charges and the mark-up in rates of interest. The difference between the wholesale rate of interest that the banks pay and the rate of interest that they charge their customers, both businesses and retail, has been growing, probably fuelled by the requirement of the banks to rebuild their own balance sheets. None the less, that is something that customers in Scotland and elsewhere are extremely sceptical about. There are also questions about aggressive debt collection. My hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson) said that something like 135,000 debt problems had been brought to Scottish citizens advice bureaux in 2009-10. The massive job of providing such advice is falling on the shoulders of a very poorly funded voluntary sector in Scotland.

The hon. Member for Milton Keynes South (Iain Stewart) raised the important topic of financial education. I should like to see us revisit the extent to which the national curriculum explores how we teach young people about the basics of money. Certainly, it is the responsibility of the new consumer protection markets authority to consider that as well in due course.

This debate has been very worth while. Both directly and indirectly, banking has a massive effect on the lives of people in Scotland. The report is a perfect example of how the Scottish Affairs Committee speaks out for the interests of Scotland.

3.57 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): First, let me congratulate both the Chair of the Select Committee on opening this debate, and you, Mr Rosindell, on chairing your first Westminster Hall sitting. You need no lessons from the hon. Member for Kilmarnock and Loudoun (Cathy Jamieson) on controlling bad boys.

This is a helpful report. Every hon. Member at the start of their speech has positioned themselves in relation to it. It was my predecessor, Lord Myners, who gave oral evidence to the Committee, but it is this Government who responded to the report. I want to take the opportunity

[Mr Mark Hoban]

to talk through our response and the progress that we have made since July and to address some of the issues that hon. Members have raised. It is worth bearing in mind some of the remarks that have been made about the Scottish financial services sector. Although the problems at RBS and Lloyds TSB and the failure of the Dunfermline building society cast a long shadow, they are only part of the Scottish financial service sector—a point made to me when I visited fund managers and insurers in Edinburgh earlier this year.

It was more than 300 years ago that William Paterson founded both the Bank of Scotland and the Bank of England. Today, that heritage of innovation, education, and expertise is still very much alive, and reaches across a whole range of financial services, beyond the roots of banking in Scotland in the 17th century. General insurance, life and pensions, asset management and related services all have a place in Scotland's financial hubs of Glasgow and Edinburgh, and also in people's high streets. We think of financial services as being related to the City, Canary Wharf or the big centres in Glasgow, Edinburgh and Aberdeen, but of course they are part of our high streets too. We cannot forget that.

Some of the reasons why we see a vibrant financial services sector in Scotland are the highly talented and educated work force, the strong infrastructure and the first-class support businesses such as law and accountancy, which all provide a firm foundation for the Scottish financial services sector. I believe that the sector will play a role in our recovery and future prosperity, not only in Scotland but in the United Kingdom as a whole. However, that will happen only if it reconnects with businesses and families.

The financial services sector in Scotland has been through difficult times. Extraordinary action has been taken to restore stability to the financial services sector, as the hon. Member for Nottingham East (Chris Leslie) said in his remarks. Since March, when the Committee's report was published, I think that the situation in Scotland and throughout the UK has improved considerably. Actions taken by financial authorities, along with improving global conditions, have enabled banks and building societies to stabilise, begin restructuring and slowly start to restore consumers' trust.

However, we must continue to be vigilant. We cannot take the strength of Scotland's financial sector for granted and I welcome the Committee's contribution to the discussion about how improvements can be made. The opportunity exists now to deliver real and lasting reform of the financial sector, to ensure that it is stronger, safer and more resilient. The Government are determined to deliver that reform.

In the future, we must examine the structure of banking, including the links between size, risk and competition. To that end, we have tasked the Independent Commission on Banking, under the chairmanship of Sir John Vickers, to consider structural and non-structural reforms to the UK banking sector, in order to promote stability and competition.

My hon. Friend the Member for Argyll and Bute (Mr Reid) talked about competition in the banking sector. Clearly, we need to think about issues such as the transparency of the financial information available to customers, so that they know how much their bank account is costing them. During an intervention, my hon. Friend the Member for Skipton and Ripon (Julian Smith) talked about improving data on interest rates and the Government have made steps, following a super-complaint on individual savings accounts, to ensure that there is much more transparency and that people can move their accounts from one provider to another more quickly.

Cathy Jamieson: As a follow-up to that point, I wonder whether the Minister can ensure that the mutual sector is not unfairly disadvantaged, given that it largely avoided the problems that we have seen with some of the other banks. Will he ensure that any changes in legislation support the continuation of the mutual sector?

Mr Hoban: Indeed. I am very grateful to the hon. Lady for mentioning that point, because one of the commitments in the coalition agreement is, of course, to foster diversity and ownership in the financial services sector, including strengthening the mutual sector. The hon. Lady's intervention also reminds me that she raised issues about set-off. I know that set-off is very important to many consumers and she will be pleased to know that the Financial Services Authority is reviewing it at the moment.

I was talking about reducing risk and the role of the Independent Commission on Banking. The debate about how we reduce risk is not just a UK debate. We have been at the forefront of developing common international standards of regulation—for example, in Basel and through the capital requirements directive negotiations in the EU. In addition, we have led the way in developing approaches to minimise the risk of failure and to ensure that, when failures do occur, the call on the taxpayer is minimised. Of course, it was the previous Government who introduced the special resolution regime, which we supported, and "living wills"—the recovery and resolution plans that were in the Financial Services Act 2010. We also supported that measure.

We will continue to work with international colleagues to ensure that the implementation and sequencing of regulatory changes are taken forward in a way that balances the need to act now on the lessons of the crisis with the need to maintain the competitiveness of the industry.

A number of hon. Members talked about the regulatory framework. Clearly, the reputation and long-term success of Scotland's banks also depend on trust. Customers need to know that they will be treated fairly and appropriately by all financial institutions. The robust regulatory framework that we are creating will help to cement the attractiveness of Scotland's financial sector, by providing certainty for banks and confidence for consumers without stifling innovation and growth.

We have learned the lessons from the financial crisis and set out a radical reform to the architecture of financial regulation that we inherited. Earlier this year, the Chancellor announced that the Government will legislate to create a new prudential regulation authority as a subsidiary of the Bank of England. The PRA will be responsible for prudential regulation of all deposit-taking institutions, insurers and investment banks. It will cover all issues affecting the safety and soundness of individual firms, including remuneration. It will have the focus, expertise and mandate to ensure effective prudential

supervision and regulation of individual firms, thereby strengthening the UK's financial system and its resilience to future crises.

We will ensure that financial regulation delivers financial services and markets that are secure and within which private individuals, small businesses and multinational firms have all the information available to them to make the right choices, as well as the right level of protection if things should go wrong. That is crucial.

Consequently, alongside the PRA we will establish a consumer protection and markets agency, which will be a new and integrated conduct regulator. The CPMA will take a tougher, more proactive and more focused approach to regulating conduct in financial services and markets. That will ensure that the behaviour of firms—whether they are based in the high street or trade in high finance—is placed at the heart of the regulatory system, giving consumers greater clarity. The CPMA's primary objective will be to ensure confidence in financial services and markets, with a particular focus on protecting consumers and ensuring market integrity.

Appropriate regulation is vital to instilling confidence in financial services, protecting customers' interests and ensuring clean and efficient markets, where both retail and wholesale customers can engage confidently and with the degree of protection appropriate to their needs.

Regulators are continuing to monitor firms for poor practice and they will develop new initiatives to ensure that consumers are treated fairly. A specific focus will be given to cases of unarranged overdraft charges. Working alongside the industry, the Office of Fair Trading has developed commitments on unarranged overdraft charges. They include an agreement that consumers should be able to opt out of unarranged overdraft facilities and minimum standards for how that process of opting-out should work.

Furthermore, earlier this week we laid the regulations to turn on the new section 404 powers—a provision in the Financial Services Act 2010, which was passed just before the election—that will enable the FSA to require firms to establish consumer redress schemes. We believe that it is right to turn that provision on.

However, we also need to ensure that consumers have advice at their fingertips. We have already announced the introduction of an annual financial health check. That check will help families and individuals to get into the habit of taking a thorough look at their finances. It will show them where they are most at risk and how they can regain control of their finances and plan for the future. It will give people a "prescription" that will offer clear advice on what they can do to improve their financial situation now and for the years ahead.

My hon. Friend the Member for Milton Keynes South (Iain Stewart) and the hon. Member for Kilmarnock and Loudoun talked about the importance of inculcating the habit of saving among children early on in their lives—indeed, the hon. Member for Nottingham East also highlighted that issue. It is absolutely vital. Of course, it is a responsibility that we all share and it is an idea that is supported by a number of financial services bodies.

The hon. Member for Kilmarnock and Loudoun mentioned the Cumnock and Doon Valley credit union. Across the UK, credit unions play an important role in this area of education. I have been to see a project that HSBC sponsors in primary schools; I saw it in the Wallisdean infant school in my own constituency. It was quite interesting to talk to children between five and seven about the importance of saving and spending. Clearly, even at that early age they have thought about this issue very carefully.

The new consumer financial education body will roll out the national financial advice service, which will be free and impartial. Of course, that service will be funded by the industry through a social responsibility levy. The cost of the service will not be picked up by the taxpayer; the service will be industry-funded, as part of the industry's contribution to tackling some of these issues. I think that the service will help consumers throughout the UK to get the best from their financial providers and to give them the information that they need to manage their finances responsibly. The service will be further complemented by the simple products initiative that we announced in July.

The hon. Member for Glasgow South West raised the issue of repossessions. I say to him that in 2009 47,700 homes were repossessed, compared with an estimate that 75,000 would be repossessed. In the first quarter of this year, 9,800 homes were repossessed and in the second quarter 9,400 homes were. In part, that is due to the forbearance of lenders, but clearly the low interest rate environment has made it possible for more people to stay in their own homes. That is to be welcomed. *[Interruption.]*

Andrew Rosindell (in the Chair): Order. There is a Division in the House. Would the Minister like to finish his comments now, or shall I suspend the sitting?

Mr Hoban: I would like the sitting to be suspended, please.

Andrew Rosindell (in the Chair): Okay. The sitting will be suspended for 15 minutes. Order.

4.9 pm

Sitting suspended for a Division in the House.

4.25 pm

On resuming—

Mr Hoban: I want to respond to the comment made by my hon. Friend the Member for Argyll and Bute about the Post Office bank. Part of the coalition agreement was that we would consider the case for a Post Office bank. He will know that the Under-Secretary of State for Business, Innovation and Skills, my hon. Friend the Member for Kingston and Surbiton (Mr Davey), has responsibility for the Post Office. We are looking through the options at the moment and thinking about how the Post Office can expand the scope of the financial services that it offers across the counter. That would be of benefit to many—particularly those in rural areas, where the nearest post office may be closer than the nearest bank.

I shall move on to address the issue of lending to small and medium-sized businesses, which has cropped up in a number of contributions. Banks can and do play a critical role in providing finance for new start-ups, growing enterprises and our largest corporations. A thriving banking sector is therefore critical for our

[Mr Hoban]

economic recovery. Ensuring the flow of credit to small and medium-sized enterprises is particularly essential to supporting growth. In Scotland alone, SMEs account for more than 1 million jobs, so they are an important part of the economy in not just Scotland, but every constituency and part of the nation.

The importance of getting credit flowing to SMEs meant that the Chancellor made a series of announcements in the June Budget. There was the extension of £200 million to the enterprise finance guarantee scheme, which will benefit 2,000 additional small businesses across the UK and bring the lending covered by the EFG up to £700 million. In addition, an enterprise capital fund to support small businesses with high growth potential was announced, combining both Government and private sector funding. In July, we also published a Green Paper on financing a private sector recovery—consultation on that has closed—which considered a broad range of finance options for businesses of different sizes, including bank lending. We will respond formally to that in the next few weeks.

The Select Committee's report expressed concern about the availability of lending and whether Scottish banks are truly open for business. Again, those concerns have been mentioned in the debate. Today the banks have published, through the British Bankers Association taskforce, a series of measures to help improve customer relationships, promote better access to finance and, crucially, provide better information on the availability of and demand for credit. That point was raised by the Chair of the Select Committee and by my hon. Friend the Member for Argyll and Bute.

One of the things that prompted the proposal to bring together better information is this debate. When I talk to banks' chief executive officers, as I do regularly, they say that they have enough capacity to lend to small businesses, but that the demand is not there. When we talk to small businesses—hon. Members have raised various examples from their own constituencies—they say that they do not believe the banks are interested in listening. Part of that might be a pricing issue. The survey, which will be based on information supplied by the banks but prepared independently of the banks, will address those issues and raise the quality of information. It will enable us to scrutinise the banks more closely about their lending practices, including the rate at which they are lending.

David Mowat (Warrington South) (Con): This discussion has always struck me as a bit odd, because banks need to lend to make money. I understand the things that the Government are doing—the two things that the Minister mentioned—but are there not two real issues here? First, it is not that UK banks are lending less; it is simply that a lot of foreign banks have left the market and UK banks have not filled that gap.

Secondly, the banks' real issue is the requirement that has been placed on them to rebuild their balance sheets and to change their credit ratios in the run-up to Basel 3. They have less money because the Government are effectively telling them to do two contradictory things: to lend more; and to rebuild their balance sheets and have better capital ratios.

Mr Hoban: My hon. Friend raises two interesting points. On his second point, a number of banks have raised the point about whether the capital requirements restrict their lending. The agreement reached last month on Basel 3 requires banks to raise their core tier 1 capital to 7%. UK banks are already well placed to achieve that, so that is less of a constraint. They have been given until 2018 to achieve that level, which will enable them to phase in the increased capital requirement, so I do not think that that necessarily acts as a disincentive to lend.

The other side of the argument relates to the risk attached to lending to SMEs, which is an issue that banks have raised with me. The Bank of England's financial stability report stated that there is scope for banks both to build capital and to continue lending to the real economy, so that is less of a concern than my hon. Friend suggests. However, he made the valid point that a number of foreign banks have exited the market, creating a gap that several UK banks have sought to fill, and we should not overlook that fact in any debate on banking.

It is important that we have the necessary information available to be able to hold banks to account on lending across all parts of the UK. I know that the Scottish Government, in the absence of that information, commissioned a review of lending in February 2010. When we start to look at the regional data, we will be helped by the fact that the banks will want to engage in an outreach programme at regional level, through chambers of commerce, to start to discuss what is happening in the sector on a regional basis. It is not only about what is going on in London and in the headquarters; it is also about engaging in the regions. That is an important part of the process.

Much more data on mortgage lending are available through the Council of Mortgage Lenders, which publishes regional and national data. A positive story on that from Scotland is that mortgages to the value of £1.4 billion were advanced there in the second quarter, compared with £1.1 billion in the first quarter. That increase in Scotland is actually greater than the increase for the rest of the UK as a whole, so clearly we should recognise that there is strength in the Scottish housing market.

In addition to the enhanced information requirements that banks are committed to, they have agreed to establish and invest in a new business growth fund, which will build up to £1.5 billion. That will help to address the equity gap and will be aimed at investments in the £2 million to £10 million bracket. All previous Governments have thought about and tried to fill that gap. The banks are going to try to fill it in that practical way, as 3i, or the Industrial and Commercial Finance Corporation, did in the past. We have been absolutely clear that banks need to improve the lending environment for small businesses, and we welcome the taskforce's report as an important first step. It is now important that banks deliver on that.

Bonuses were referred to several times in the debate. We need to bring about a cultural change in the sector. The issues on bonuses that were mentioned in the report are at the heart of that. Recent stories of bank bonuses have caused concern, which is understandable given the current environment.

The Government are taking action. We have already introduced a permanent bank levy, which will raise £2.5 billion—something the previous Government refused to do—and we will shortly consult on a remuneration disclosure regime that will require the disclosure of detailed pay information from large banking organisations operating in the UK. Performance-related pay is an important part of rewarding valuable contributions, but it must be reward for long-term success that takes into account an appropriate level of risk. It is important not to abolish bonuses, but to ensure that they encourage the right sort of behaviour.

The FSA issued a consultation paper on a revised remuneration code of practice in July, laying out detailed principles that will require not only large banks, but a wider range of financial services firms, to establish remuneration policies that are consistent with effective risk management on a proportionate basis. The Government are also exploring with international partners the costs and benefits of a financial activities tax on profits and remuneration. When I talk to banks operating in the UK, they say that the UK regime is tougher than those in place elsewhere in the world. That is a matter of complaint for them, but I think that it is something from which we can take a degree of satisfaction.

In conclusion, the UK economy turned a corner in 2010, but the recovery of both our economy and our financial services industry will necessarily be gradual. It is vital that we act now to support a sustained recovery, backed by a resilient financial services industry that serves the needs of consumers and the broader economy. In that recovery, Scotland will continue to be proud of its long history in providing financial services and of the new financial centres that are emerging. It strikes me as entirely appropriate that Scotland, which pioneered the modern-day ATM, should now host the headquarters of one of our new financial services players, Tesco Personal Finance. We are confident that the Government's proposals will restore to Scotland a secure, profitable and sustainable banking sector that will be capable of serving the customers, businesses and economy of Scotland.

4.36 pm

Mr Davidson: I express my gratitude to all those who have contributed, not only to the debate, but to the report. That includes our witnesses and those who provided written evidence. Some of the contributions have been excellent. I hope that the Government Whips have taken note of the expressions of undying loyalty that were made by some of the newer Members. Nevertheless, I am sure that they will develop out of that in due course. I also thank the staff of the Scottish Affairs Committee for all their work in preparing for the debate and the report.

When I was much younger, there used to be various cartoon characters who could rub a brass lamp and say, "Abracadabra", so that a genie appeared. Earlier, I mentioned the arc of prosperity and a nationalist appeared. In some mysterious way, he disappeared thereafter. I have mentioned the arc of prosperity again, so I am waiting to see whether he will pop in again.

The wider matters to which the Minister referred—I understand entirely why he did so—are more the responsibility of the Treasury Committee than of our Committee. We have tended—rightly, I believe—to restrict ourselves to those aspects that impact on Scotland. However, I was heartened by what he said about encouraging the mutual sector. Several of my colleagues, particularly my hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson), will be looking at ways in which we can have a discussion about the mutual sector in Scotland. I hope that in due course we will have some dialogue with the Minister on that. As we have done elsewhere, we hope to have some informal sessions with witnesses before moving to formal hearings and visits, which will be helpful.

We are likely to support some of the changes that the Minister outlined that seem to be moving in the right direction, but there are areas on which we would like ongoing dialogue and input from his staff when we prepare documents. It is not immediately clear, for example, how overdraft charges will be handled. It seems to me that there is a need for ongoing discussion on how those proposals will be implemented and what their impact will be.

I welcome the fact, which the report made clear, that Scotland remains a good place to do financial services business. The question now is how the Committee adds value to that whole exercise. In our discussions, we have identified several areas where the system seems to be breaking down. *[Interruption.]* I thought that that was a nationalist returning, having mentioned the arc of prosperity, but it is not.

The construction, road haulage and video games industries—the three industrial groups that we met—all said that the banks did not understand them properly. We ought to turn our attention to various steps that we can take to improve those relationships.

Fiona O'Donnell (East Lothian) (Lab): Perhaps I could provide more recent information than the Minister did. The Bank of England's *Agents' summary of business conditions* in September reported:

> "Smaller businesses, and those operating in the construction and property sectors, continued to report difficulty in accessing affordable finance. For these businesses, fees and spreads remained significantly higher than pre-crisis levels".

Does my hon. Friend agree that there is further work to be done in those areas?

Mr Davidson: That is a helpful contribution—there clearly is further work to be done in those areas—which runs along the lines of not only our report but, to be fair, the Minister's contribution. The Government recognise that more work needs to be done.

We need to continue to focus on the two elements of lending—mortgage lending and lending to businesses—and also on how the banking industry deals with its customers. The Minister has advanced general principles and rules, but the question is whether they will be implemented in practice, and we will want to follow through on that.

The interventions by the Government in several areas are very much to be welcomed, and I have no hesitation in welcoming something that is said by the Government. New Members will no doubt recognise that no thunderbolt has arrived and, therefore, that it is entirely possible for people from one party to recognise that something done by a different party is good. I hope that the new Members who are here will undertake to pass that on to colleagues who have left the Chamber.

[Mr Davidson]

In conclusion, this has been an excellent exercise. We have heard witnesses, drawn up the report, held this debate today and come to a general consensus on the importance of the banking industry to Scotland and the need to go forward working together to improve the economy of Scotland. I hope that we continue to work together for the next couple of years or so.

Question put and agreed to.

4.42 pm

Sitting adjourned.

Westminster Hall

Tuesday 19 October 2010

[JIM DOBBIN *in the Chair*]

Railway Industry

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Vara.)*

9.30 am

Katy Clark (North Ayrshire and Arran) (Lab): It is a pleasure to see you in the Chair, Mr Dobbin, and to have this opportunity to debate the future of the railways.

I want to set this debate in the context of the economic situation that we face and express the concern felt in many quarters that the policies we believe that the Government may pursue could make things worse. I hope that colleagues will join me in welcoming the thousands of trade unionists who are coming to the House today as part of the TUC lobby of Parliament. They include many rail workers. I hope that we will listen to what they say before tomorrow's comprehensive spending review.

I pay tribute to the rail workers who work in all conditions to keep Britain moving. It is important that their voice is heard in this debate; I hope to discuss their concerns and those of service users. I declare an interest as a member of various parliamentary trade union groups organised by the railway trade unions. I have also worked closely on the issues with the National Union of Rail, Maritime and Transport Workers, the Transport Salaried Staffs Association and ASLEF.

It is important to remind ourselves of the three policy areas under consideration that involve the future of the railways. First, the previous Government, after the 2009 pre-Budget report, established a value-for-money review of our railways. According to the Government, the review, headed by Sir Roy McNulty, has no no-go areas; everything is up for grabs. The new Government have asked that the review be expedited. We understand that it will be published in March, but the Secretary of State has already been given the interim findings, which I am told are likely to be published in November. I also understand that Sir Roy told the Secretary of State that his interim report was not at a stage to be used to inform any decisions made in the comprehensive spending review, but will the Minister confirm that?

The second major policy context for this debate is the comprehensive spending review. Like other Departments, the Department for Transport will, we believe, be asked to make big cuts. There are understandable concerns that if we make cuts to our railways, we will damage the infrastructure needed to drive economic recovery and growth as well as to meet the ambitious targets that we set ourselves in the Climate Change Act 2008. There is also concern that the comprehensive spending review will punish UK passengers with even higher fares, although ours are already the highest in Europe.

The third major policy area is the Government's review of rail franchising, which has generated headlines saying that the train operating companies are clubbing together to demand that the Government hand over longer franchises. The companies are also demanding more say in—and, we believe, eventual control over—our railways, including track, signals and stations. The suggestion seems to be that we should re-create the big, private, regional rail companies that the Labour Government eliminated in 1945 when we nationalised the railways.

Given those policy areas, I will use this debate to highlight some concerns raised by passengers and rail workers. We have read reports in the press that the protection afforded by regulated fares might be weakened, and that UK fares—already the most expensive in Europe—could rise by 30% or more. Passengers will find that hard to stomach, particularly as they know that senior directors of the big five transport companies that control most of the railways are still paying themselves salaries that most people, frankly, consider obscene. We know that the railways depend almost entirely on annual public subsidies and the revenues generated by fares. In effect, by awarding themselves such large salaries, railway executives are forcing taxpayers and fare payers to subsidise their excess.

The trade union RMT has researched the matter and provided me with some shocking figures. RMT says that Moir Lockhead—recently of FirstGroup, which runs First Capital Connect, First Great Western, Hull Trains, First TransPennine and ScotRail—was paid more than £500,000 last year, as was Ray O'Toole, recently of National Express, which runs c2c Railways. David Martin of Arriva, the highest-paid director, was paid almost £750,000, and Brian Souter of Stagecoach Group is paid more than that for running South West Trains and East Midlands Trains, but top of the tree is Keith Ludeman of Go-Ahead Group, who was paid a salary of £916,000 last year and whose salary has since increased by 35% to £1.2 million.

Will the Minister comment on those salaries and join me in agreeing that passengers, who face big fare increases and are likely to suffer the consequences of cuts in the subsidies provided to our railways, will find such salaries unacceptable? Those salaries are paid, in effect, by the taxpayer and fare payer. I hope that she will agree that transport bosses should be exercising pay restraint, particularly at a time when the Government are asking everybody else to tighten their belts. I also hope that she will agree to write to the transport companies asking them to exercise restraint.

My second point is about the behaviour of the privatised transport companies and the profits that they have made from privatisation. Over the past 10 years, the biggest five transport companies have paid dividends of more than £2 billion to shareholders. Over the past seven years, the three rolling stock leasing companies that own the trains have paid dividends of more than £1 billion. Professor Jean Shaoul of Manchester university estimates that since privatisation, dividends of more than £10 billion have been paid.

As colleagues will know, windfall taxes on utilities have been levied successfully in the past. The Government are also considering a levy on bankers. Will the Minister agree to consider imposing a windfall tax on the profits of the privatised railway system instead of penalising passengers with fare increases? At the very least, does she agree that instead of paying huge dividends, railway companies should be helping protect passengers and

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taxpayers at this time by agreeing to freeze dividend payments and invest all profits back into our railways instead?

Will the Minister consider the work of Richard Murphy of the Tax Justice Network? He undertook a study, a copy of which has been submitted to the value-for-money review, that considered the available sets of accounts for the six railway operating companies and three railway leasing companies operating in the UK between 2002 and 2006. He found that during that period alone, those companies owed £1.3 billion in unpaid tax that the Government had not chased. Will she read a copy of that study and examine its conclusions?

My third point relates to the future of Network Rail. The Minister will be aware from the McNulty review of the railways that the same companies paying their top directors such handsome salaries and making massive profits now hope also to profit by taking over the tracks and signals currently owned and operated by Network Rail. Although Network Rail is a private company, it is a not-for-dividend company. That means the £4 billion or £5 billion annual subsidy does not leak out of the industry in dividend payment; instead, any profits are reinvested in the railways. Whatever faults Network Rail may have, taking railway maintenance back in-house has clearly had the effect of reintegrating much of our railways. Indeed, I believe that that has been responsible for the significant improvements in punctuality since the Hatfield disaster.

Hugh Bayley (York Central) (Lab): I congratulate my hon. Friend on securing this important and timely debate. When the track renewals company Jarvis went belly up earlier this year, some 1,200 employees were made redundant and only about a quarter of them have so far got another job in the railway industry. Does my hon. Friend agree that the Government will need the skills of skilled track-laying workers, if they build the new north-south high-speed railway that will run from London to Birmingham and on to Yorkshire and the north-west? I regret that I must attend another meeting at 10.30 am, but will my hon. Friend press the Minister on what the Government can do to secure jobs for those redundant workers who have not yet got jobs themselves, so that their skills can be retained in the railway industry and used to build new railways?

Katy Clark: My hon. Friend makes some powerful points, to which I will return later in my contribution. The privatised rail companies propose to threaten the progress that has been made in the railways in recent years. They want their companies to take over the infrastructure, perhaps on leases that would coincide with the length of the franchises. There is talk of trialling such arrangements in Merseyside or Scotland. The train operating companies have promised that that will incentivise them to invest in the railways, but they have provided absolutely no evidence to support that submission. Indeed, the evidence of the past and of their tenure with the railway passenger services shows that they simply seek to maximise profit and boardroom pay, as I have already mentioned. In fact, the Government's own consultation document, "Reforming Rail Franchising," states:

> "European procurement law makes clear that contracts over 15 years require significant investment to be provided by the franchisee. Therefore, our starting proposition is that 12 - 15 years should be the standard length of franchises".

That seems to say that we should extend franchises to the maximum length at which franchise holders have no legal obligation to invest significantly and leave investment completely at the discretion of the franchise holder.

The Minister of State, Department for Transport (Mrs Theresa Villiers): I assure the hon. Lady that, whatever the length of the franchise, we will be pressing for the best deal for the taxpayer, including investment with longer franchises—whether they are for 10, 15 or 22.5 years.

Katy Clark: I am very pleased to hear the Minister say that. However, if we are going for franchises of approximately 12 to 15 years, there will not be that legal obligation, which must have a consequence for the decision that companies make.

Mrs Villiers: I am sure that the hon. Lady will appreciate that franchise documents impose significant legal obligations, and we expect those to include investment in the railways, particularly where a longer franchise is granted.

Katy Clark: I am pleased to hear the Minister say that. If the Government decide to go down the path of franchises of such a length, we will be actively scrutinising the situation to ensure that the contracts in place not only are legally binding but are enforced and deliver for the taxpayer and those who use the railways.

We know that the train operating companies are demanding further fragmentation and privatisation of our national railway structure. The former Network Rail chief executive talked about simply sweating the assets of the railway infrastructure. If franchises were coming to an end and existing operators were either not going to bid again or were not shortlisted for replacement, there is a great deal of concern that there would be little pressure on them to invest.

I also ask the Minister to consider carefully concerns that breaking up Network Rail would have a negative impact on rail freight. There is a real fear that passenger operators will be tempted to fill any spaces in the timetable with their own revenue-raising services, which would push freight to one side. Freight trains are often heavier than their transport equivalents and can do much damage to the track, which raises the possibility that the private operator could limit free access or leverage high track access charges on the movement of freight. That would force freight from the railway to the road, which would have a series of unhelpful environmental consequences.

Many people in the industry and in the rail trade unions are also concerned about the arguments of those who are making the case for breaking up Network Rail. In particular, they are concerned about the report of the Office of Rail Regulation, which is quoted again and again as stating that, compared with other European railways, Network Rail is up to 40% less efficient. I say to the Minister that hon. Members may make such points today because they have read articles in the press, but many in the industry, the RMT and the other

railway unions have a great deal of concern about that report's methodology. They believe it is flawed and that it has cherry-picked different aspects of rail infrastructure efficiency from abroad to paint our railways in a more unfavourable light. The report does not seem to take into account factors that determine efficiency, such as adequate investment over long periods, the need for a unified command structure and, most importantly, the continued fragmentation of our infrastructure compared with European railways.

We need to consider the benefits of having an integrated, publicly owned railway. I therefore hope that the Minister will ensure that those conducting the rail review—and the Government themselves—do not just look at the issue on an ideological basis, but consider the comparisons with other European railways. There has been some concern about the ORR's report and I suggest to the Minister that she should be willing to receive more detailed representation from those who are concerned about that issue. It is obviously vital that we make the right choices for our railways.

In June, the Secretary of State said:

"Passengers and taxpayers will rightly ask why it is that our railways in the UK are so much more expensive than those in the rest of Europe."

I believe that the answer is already there for him to see. For example, the 2009 European Commission report into the rail market made it clear that the structure of UK railways is radically different from that of railways in the rest of Europe. In terms of passenger operation and infrastructure, most of the railways in Europe are publicly owned and accountable, whereas in the UK they are not.

Compared with other railways in Europe, the organisation and structure of our railways is horrifically complex—they are fragmented and have numerous interfaces. We have 24 operating companies, three freight operators, three rolling stock leasing companies, two infrastructure controllers—Network Rail and Eurotunnel—and seven major infrastructure renewal companies. That must lead to huge inefficiencies. There is a duplication of function and a loss of economy of scale. In addition, the fact that there are so many individual companies means that there are increased profit margins and transaction costs—even the legal and consultancy fees are duplicated again and again. Skilled personnel validate and monitor contracts instead of getting on with the job and, perhaps most damaging, there has been a loss of a rail culture that focused on getting the job done, with one company and one stakeholder blaming the other when things go wrong. I understand that the rail review has already indicated that the railways could save hundreds of millions of pounds a year by reducing that fragmentation and the number of different organisations involved with them.

I hope that the Minister will look at what is happening to railways across Europe, which are overwhelmingly publicly owned and far more integrated than those in the UK. I believe that that would provide a better service and cheaper fares for the public, that it would be better for the environment and that it would lead to more high-speed rail and more electrification. Will she give an undertaking that there will be a transparent consideration of an integrated and publicly owned railway and that the methodology used to consider those matters will be made public?

I pay tribute to those who work on the railways. My hon. Friend the Member for York Central (Hugh Bayley) mentioned the Jarvis workers who have already lost their jobs. Thousands of Network Rail workers have been asked to make efficiency savings and many have already lost their jobs. I hope that we are now moving towards a period of stability and consolidation. We know, as he indicated, that many of the Jarvis workers are still without work and have lost their pensions. Given his comments, I suggest that it would be helpful if the Minister met me, him and other interested colleagues to discuss the plight of those workers and whether the Government can do more to ensure that alternative employment is available for them in these difficult economic times. Thousands of jobs have already been lost on our railways, on both the passenger and freight sides, and we are also seeing a gradual attack on train guards as companies try to introduce driver-only operations, which will reduce staffing levels even further and, I believe, raise significant safety concerns.

In Scotland, the Scottish National party Administration have taken advantage of the clause included in all railway franchises that allows railway companies to ask the Government to make good the loss of revenue caused by strike action. The Labour party in Scotland says that it will remove that clause from ScotRail franchises if it is successful in next year's elections. Does the Minister agree that the current review of railway franchises should look at that matter and remove that provision from all franchises?

Many people who work in ticket offices are losing their jobs, with implications not only for them but for safety. We know that there is some protection for ticket offices, as train operators are required to consult passengers and Passenger Focus if they wish to shut offices or change their opening hours. Does the Minister agree that those protections must remain in place and should not be removed as a result of the review? Thousands of jobs are under threat in London Underground, many in ticket offices, as a result of the Mayor's decision to renege on his election promise on staffing levels. Cuts will also fall elsewhere, including safety-critical railway maintenance jobs. As a result, there has been strike action on the Underground, as the Minister is aware. Indeed, the workers who were hailed as heroes after the London bombings in 2005 are now often vilified in the press as enemies of the state. I hope that there is a negotiated settlement to the dispute, and I pay tribute to those members of the RMT and the Transport Salaried Staffs Association who are taking a stand on behalf of passengers and rail safety.

I have put several questions to the Minister and am most anxious that she respond to them either today or, if she is unable to do so, in writing at a later date. I will mention those questions again, because they can often be lost in Adjournment debates. Will she clarify whether the McNulty review will inform the transport decisions in the comprehensive spending review set out tomorrow? Will she write to the executives of the big transport companies and ask that they practise pay restraint in the boardroom? Will she agree to a levy on the profits of the privatised rail industry or, at the very least, tell the companies to freeze their profits and invest them back into the railways? Will she meet me and other interested parties to discuss the continuing plight of the former Jarvis workers? Will she ensure that the franchising

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review results in the removal of clauses that allow taxpayers' money to be used to indemnify train operating companies against losses incurred during industrial action? Will she ensure that the Government transparently consider the benefits of an integrated and publicly owned railway network and publish the methodology that they will use to consider the matter?

9.55 am

Anne Marie Morris (Newton Abbot) (Con): I am delighted to have the opportunity to speak on this important matter, and I thank the hon. Member for North Ayrshire and Arran (Katy Clark) for securing the debate. Railways are a key part of our infrastructure, and if we are serious about global warming, investment in them is key. Today, however, I would like to focus on the challenge I face in my constituency. We have a delightful coastal railway—it starts in Exeter and terminates in Plymouth—running through Starcross, Dawlish, Teignmouth and Newton Abbot in my constituency. It is probably one of the most beautiful parts of the railway network and has been photographed countless times. More importantly, it is a lifeline for my local community, providing jobs and transport.

The records that I have been able to review show that 2 million people used that part of the network in the past 12 months. The local economy is heavily dependent on tourism. Devon as a whole had 5.3 million visitors in the past year, and those tourists are responsible for 7% of Devon's economy. My constituency is in the district of Teignbridge, where tourism is critically important; it is the second most visited district in Devon. A third of the workers in Teignbridge—16,000 people—depend on tourism for their jobs. I urge the Minister to consider how important that stretch of railway is, not only because it is beautiful, but because it really matters to the economic viability of that part of the country.

Mr Gregory Campbell (East Londonderry) (DUP): The hon. Lady outlines accurately some of the benefits that railway provision can bring, particularly to areas that require tourism infrastructure, such as my constituency and hers. Does she agree that simple investment in railways, such as the passing loop system, which does not exist on single-lane tracks in my constituency and might not in hers, can help to build the tourist infrastructure to which she alluded and make the switch from private cars to railways so much easier?

Anne Marie Morris: I thank the hon. Gentleman for his contribution. I do not claim to be an expert in railway loops, but the most important thing is to ensure that we have viable railway networks at an appropriate and affordable cost, which is something the Minister is best placed to look at.

My concern about the stretch of the railway network in my constituency is that there were suggestions during the last Parliament that it is not worth maintaining it and that we should instead consider an inland route. That proposal was made because the line, which is on the coast, is subject to coastal erosion. Clearly that is a concern, but given the work that was done during the last Parliament, I think that we all agree that maintaining the existing line was economically the right answer, despite the coastal erosion.

The House of Commons inquiry came up with the figure of £100 million to put in a new line. By comparison, I have been able to unearth a figure of £200,000 to maintain that stretch of railway. On the concern about erosion, the latest studies show that we are looking at a relatively safe period over the next 50 years. The expectation is that there will be a 0.3 metre rise in sea levels in the next 100 years which, while important, should not detract from the viability of maintaining this piece of track.

I would also draw to the Minister's attention the fact that usage of this railway line is one of the fastest growing in the country; it is anticipated that it will grow by 19% over this and next year. It is obvious that the more we invest in maintaining pieces of railway, the less dependence there will be on cars. In rural parts of the country such as mine, there is already significant dependence on cars, so this line makes an important contribution. I urge the Minister to look carefully at the line and at continuing investment in it. The last conversations that I had with First Great Western and Network Rail indicated that there was no intention of reducing investment, but I would be grateful if the Minister looked into that.

My final question, which is related but of more national import, is about rolling stock. The trains that come down my piece of railway line are very full. I understand that, under the previous Government, obtaining new rolling stock was very much down to the Government, who controlled what rolling stock train operating companies could acquire. That put a straitjacket on the proper commercial operation of those businesses, and I would be grateful if the Minister looked at loosening that stranglehold so that companies can make sensible commercial decisions. Hopefully there will be sensible use of rolling stock down the line.

10.2 am

John McDonnell (Hayes and Harlington) (Lab): I shall make several brief points. I refer to my entry in the Register of Members' Financial Interests: I chair the RMT parliamentary group, as the Minister will know. We are hoping that through the National Union of Rail, Maritime and Transport Workers, the Transport Salaried Staffs Association and ASLEF, we can have a dialogue with the Government during this key period when critical decisions are being made about the future of rail. I would welcome an early ministerial meeting to discuss the interim McNulty report when it is published in November. It is a pity that it was not published before the comprehensive spending review, because it would have been helpful to see whether it influenced some of the decisions that will be announced tomorrow.

The RMT group met with Roy McNulty last week for an informal discussion of some of its concerns about what happened in the past and what seems to be occurring under this Government. We were hoping that there would be a more objective discussion about the future structure of rail in this country, but it appears that any prospect of looking at an integrated railway system under public ownership—even some element of public ownership in the structure which would enable a public sector comparator—has been ignored again.

I still cannot comprehend why we cannot at least consider using one of the franchises as a public sector comparator. We know from the experience in the south-east that when Connex was brought back into public ownership for a period, it ran more efficiently, more effectively and more profitably than most other franchises across the country. We hoped that the previous Government would at least maintain it in public ownership so that there could be a public sector comparator.

If Members trawl through *Hansard*, they will see question after question over past years in which Ministers were asked why we cannot have a public sector comparator. They were also asked what calculations and assessments had been made in respect of other systems across Europe that are under integrated public ownership, so that we could at least make some judgment of the private franchising system that has been in operation in this country for the past two decades.

Several lessons have come out of independent comparisons. It has been found that integrated systems under public ownership, without a panoply and multiplicity of various agencies—my hon. Friend the Member for North Ayrshire and Arran (Katy Clark) listed 24 different companies and four or five regulatory bodies or Government decision-making bodies—are more efficient as well as more cost-effective. I am concerned that in Mr Roy McNulty's review there is still a prejudice even against examination of a public sector option or role in any part of our system beyond Network Rail.

Briefly, on investment, the rail industry overall, including management and unions, hopes that commitments will be given by the Government in the comprehensive spending review statement to high-speed rail—we look forward to the consultation starting in January—and to Crossrail. That would at least allow us to see a longer-term future for investment in the infrastructure that we so desperately need.

I compliment the previous Government, who at least committed themselves to Crossrail and to bringing forward high-speed rail, although I was critical of some of the delays in investment. We need this Minister to tell us that that long-term programme is secure.

The hon. Member for Newton Abbot (Anne Marie Morris) discussed rolling stock. Even under this Government, we need a discussion about investment in rolling stock, which would stimulate British industry rather than the import market. With a limited amount of investment and a commitment to the purchase of rolling stock, there is potential to rebuild the rail manufacturing base in Britain. This relates largely to what my hon. Friend the Member for York Central (Hugh Bayley) said about the loss of skills over years if we do not invest in the rolling stock manufacturing base of our country.

Any lifting of the cap on protected fares will fly in the face of everything that the Government, when they were in opposition, said about their commitment to the development of rail as one of the key transport mechanisms that will help us to protect our environment. The threatened increases of anything up to 37% to rail fares on some routes, and now the threat of increased fares on London underground, undermine the Government's green credentials from the outset. I hope that there will be some acknowledgment in the comprehensive spending review of the role that rail plays in tackling climate change, and therefore the importance of maintaining fares at a reasonable level.

Passenger numbers have increased dramatically over the past 13 years, largely as a result of the increase in economic activity. As we go into recession, there will inevitably be a reduction of passenger usage, and there will be a temptation to make up the funding gap by increasing fares. That would be completely counter-productive: it would push more people off public transport and, as a result, have a dramatic impact on our policies to tackle climate change and our environmental policies overall.

Finally, let me raise a staffing issue. The treatment of the Jarvis workers was a disgrace. The way in which they were notified of the loss of their jobs was appalling. They have almost been turned into roaming serfs looking for work. We hear stories of people having to move around the country on zero-hour contracts, and even of people putting up camps near to where they can bid for work the following day.

I raised the matter with the previous Government and said that there should have been an intervention by the Government and Network Rail, and that the contracts and staffing levels could have been maintained. Things were badly handled then, and there is a need for this Government to intervene now, because this is not just about how individual staff are treated; it is also about the expertise that we need for the future.

Surely to God we have learned lessons in the past that if we do not maintain expertise, and therefore do not maintain the track effectively, there will inevitably be accidents, loss of life and serious injury. We have had so many inquiries—surely we have learned the lessons. I urge this Government to intervene, to look at what happened in the displacement of ex-Jarvis workers and their expertise, and to see what can be done to secure not just their jobs but also their expertise for the long term.

Julie Hilling (Bolton West) (Lab): I declare an interest in the debate, as I have a constituency development plan with the TSSA.

On the staffing point, does my hon. Friend agree that if we break up Network Rail, we will create not only more insecurity for workers, but a bidding structure for them? When rail was first privatised, the bidding war for drivers made the cost much more expensive because each franchise then bid for certain expertise.

A more important issue is safety. Already there is erosion of track inspection and other safety elements. If we fragment the industry further, especially track control, we will certainly make accidents, such as those at Grayrigg, Hatfield and so on, more likely.

John McDonnell: I could not have said that more eloquently. My hon. Friend makes an extremely valid point. I urge the Government to tread carefully when making decisions on franchising and the integration of track with operations, because we have seen what has happened elsewhere. Mr Armitt said that when companies have gained franchises in other sectors, they seek to "sweat the assets" to maximise their profits. That eventually has an implication for safety. Having a nationally integrated system would overcome those issues.

[John McDonnell]

My hon. Friend also referred to the transaction costs involved both in that sort of breaking up and in individual franchising. The Government should carefully examine Roy McNulty's work and the transaction costs that will result. On London Underground, I was assured by the previous Government that Metronet was a one-off failure and that Tube Lines would be secure, but we then had the failure of Tube Lines. The estimated cost of those franchises and setting up the public-private partnership was £400 million on consultancies, accountants and lawyers alone. The Government should learn lessons from the past.

On London Underground staffing, despite what people read in newspapers, RMT and TSSA have taken industrial action because 800 jobs will go if London Underground does not reconsider its position. Those 800 staff are based at stations including Hayes and Harlington in my constituency. If we lose those staff, we lose security and safety at those stations in the lead-up to the London Olympics. We are trying to put on a display for the world so that when people come here to enjoy the Olympics, they can travel in comfort and absolute safety. It would be a retrograde, short-sighted step to lay off those 800 staff, particularly at this key time.

I urge London Underground to return to the negotiating table and to seek a settlement with the two unions. Otherwise, there may be a long, bitter and protracted dispute that will affect the travelling public in a way that will jeopardise their safety in the long term. The dispute is a principled one. It is not about wages, but about looking after the safety of the travelling public. That is why I support it and have appeared on picket lines. There may be a role for the Government. If London Underground remains intransigent, the Government should intervene, because the matter is important.

I welcome this important debate engendered by my hon. Friend the Member for North Ayrshire and Arran. I urge the Minister to meet the union groups, to discuss the McNulty report on the long-term future, and perhaps to return to the matter in six months to monitor progress on the Government's initial decisions.

10.14 am

Mr Mike Weir (Angus) (SNP): I welcome this debate, and I congratulate the hon. Member for North Ayrshire and Arran (Katy Clark) on securing it and on making a wide-ranging and knowledgeable speech about the railways, despite her inability to avoid a quick stab at the Scottish Government.

I want to concentrate on two areas that concern my constituency—the future of the east coast rail line and the plan for the high-speed rail network, both of which are vital to our economic future. The east coast line is vital to the north-east of Scotland because it provides the major cities of the north of England direct access to London and, importantly, to the cross-channel network through the Eurostar and Eurotunnel and, I hope, to Germany if the proposed connections to German cities come to pass. The line provides an important link for business and tourism and is a vital economic asset.

I have had serious concerns for some time about the future of services on the line, especially north of Edinburgh. I raised those concerns as far back as July 2009, and when the franchise went from National Express to East Coast. The line north of Edinburgh has long been a problem because it is not electrified, so it has been difficult to reduce journey times from Aberdeen to Edinburgh. When the previous Government committed themselves to purchase new dual electric-diesel trains to run the whole length of the line, there was considerable hope that that would lead to a reduction in journey times.

When the franchise was transferred, Lord Adonis, the then Secretary of State for Transport, assured me and others that there was no danger of cutting services north of Edinburgh. Unfortunately, shortly before the general election, he postponed the purchase of the new trains and left the decision until after the election. I thought at the time that that was an ominous sign, and so it has proved to be. The new Government have twice postponed the decision, more recently until the comprehensive spending review, which is due tomorrow. That has the ring of a death knell for the contract to purchase those trains.

I appreciate that the Minister will not tell us today, before the Chancellor's announcement, what will happen, but I remain gloomy about the prospect for those trains. The matter is important, and I asked her a written question about the services north of Edinburgh. She replied:

> "The current level of direct services between London and Aberdeen and Inverness will continue to be provided when the new East coast line timetable is introduced in May 2011."

So far, so good, but unfortunately, she continued:

> "The longer term future of direct services between London and Inverness and Aberdeen will be determined by forthcoming decisions on replacement of the current rolling stock."—[*Official Report*, 16 September 2010; Vol. 515, c. 1244W.]

The Minister may say that I am wrong, but alarm bells rang because she seemed to be specifically linking the services to the rolling stock and, by implication at least, if the rolling stock is not purchased, long-term services are at risk. If I am correct, that is a short-sighted way of looking at the future of this important line because its importance is not only economic.

The coalition Government claim to be the greenest ever, but that seems to be a pretty shaky claim if they do not consider the need to reduce carbon emissions by providing more rail than air transport. Failure to provide regular services from the north-east of Scotland will seriously impact on that. I have used the line many times to travel down to London. I take the train from Montrose in my constituency, and it takes around six and a half hours to get to King's Cross. From Aberdeen, the journey is around seven hours. Clearly, that is a long train journey, and business men coming from Aberdeen, which is Europe's oil capital, are faced with the option of taking a plane from Aberdeen airport, which takes approximately one and a half hours to London. Even taking into account the time taken to check in and to get in from Heathrow, it is clearly quicker to go by air. However, even with the existing service, for someone travelling from Edinburgh the decision to travel by air or train is much more marginal.

The point is that if we are serious about moving travellers, particularly domestic business travellers, from air to rail, the issue that must be addressed is not just price, but time. We must ensure that there is a realistic alternative, and that can be provided only by speeding

up journey times. I appreciate that the proposed new trains are not a magic bullet for the problem, and that the decrease in journey time provided by the trains alone might not be all that significant. The line has various other problems, not least the physical restraints at Montrose in my constituency, where part of the line is single track and the geography of the area makes it difficult for it to be dualled. However, the proposed dual fuel trains would send a clear signal that the Government are serious about investment in the railways, and in ensuring that we continue with the regular and worthwhile service that links Aberdeen directly with London and through to the continental mainland. Unless we look at such proposals, we will undoubtedly fail to persuade people to switch from air travel to rail, even if the Government use taxation to push up the price of flying.

Julie Hilling: I am interested in the hon. Gentleman's point about trains and the green economy. Does he agree that electrification pushes all the buttons for the green economy? Electrification makes trains greener, it is better for the environment, it increases the speed of the train and reduces the wear on the track. We must continue with electrification, particularly in my constituency where the previous Government were committed to the electrification of the lines between Liverpool and Manchester, and Manchester and Preston. Electrification speeds up journeys; today, a person would be crazy to take an aeroplane from Manchester to London, although that option was frequently used in the past. Electrification is a key part of the argument.

Mr Weir: The hon. Lady makes a good point. Whether electrification is greener than its alternative depends on how the electricity is generated, but that is an associated issue. However, she is right that the faster train journeys can be made, the more likely it is that people will use the train rather than travel by air. That is my point. Flying to London from Manchester or Birmingham no longer makes sense, but it does make sense to travel from Aberdeen by air unless something is done to speed up the train line. I appreciate that that is not easy to do, but the Government must look at the issue seriously.

My other point is about the high-speed rail network. The Government have announced their proposal to go with the Y route, which would run up the centre of England to the north-east and the west coast. It will speed up journey times and, if I understand it correctly, link up with the east coast line and provide a slightly faster journey time at least as far as Edinburgh. As it stands, however, although the proposal will considerably speed up rail travel to the north of England, it does not address the central problem of taking the line further north into Scotland. If the Government are serious about the issue, we must look at an extension of the line to ensure faster travel times from Scotland and encourage people away from the longer domestic flight routes. Unless we do that—and the same argument goes for the east coast—we will not get the green benefits that we hope for. As it stands, if I were to use the high-speed line to get home, I would probably have to change train twice to get to Montrose, and that will not significantly reduce the journey time.

Mrs Villiers: The hon. Gentleman may recall from the coalition's programme for government that we want a genuinely national network. Experience tells us that that must be delivered in phases as it takes some time. The ultimate goal, of course, is to take high-speed rail to Scotland. It would be interesting to hear whether the Scottish Government are willing to devote resources to that programme in the future. I have discussed the issue with them, and I hope that in the future they will consider whether they can devote some of their resources to aiding such a project.

Mr Weir: I am sure that the Scottish Government will do that. However, there is not much point in building a high-speed line if it does not link up with the rest of the network. At the moment, the high-speed line will run nowhere near Scotland. I understand that Network Rail had a proposal that would have taken the line into central Scotland. That would have made more sense, it would have linked central Scotland with the main high-speed network running south, and it would have provided the basis for an extension of the network further north. At the moment, as the Minister knows, the high-speed network comes nowhere near Scotland, and it will be many years before it gets as far as Edinburgh. The Government seem to take a London-centric view of the matter. If we were to tip things the other way so that the line ran south, the speed of journeys would increase faster and the green objectives of the Government and the Scottish Government would be met.

The Scottish Government have invested a lot in the railway in Scotland. I accept that that is their responsibility and that some of the work must be done in Scotland—there is no argument about that. For example, the Scottish Government opened a new station at Laurencekirk on the east coast line, although strangely enough the direct mainline services will not stop there, so people still have to get a train to another station to get on those direct services. ScotRail runs a good service to Edinburgh and Glasgow, but again, people have to change trains to get on to the direct line to travel further south. People going on business trips look for a direct service. New lines have been opened from Stirling and Alloa; there is a new line from the border and considerable improvements along the Paisley corridor. All those things have improved rail travel in Scotland, but we still need links to the lines that will take us to continental Europe through the Eurostar network. To do that, unfortunately we need to rely on the Government in this place taking action on the east coast line and the high-speed line.

My main point is to ask the Minister about the rolling stock for the east coast line, which is the responsibility of her Department. As the hon. Members for Newton Abbot (Anne Marie Morris) and for Hayes and Harlington (John McDonnell) pointed out, the new trains are vital to show that the Government are serious about investment in our railways and in the important economic asset of the east coast line. I appreciate that the comprehensive spending review is tomorrow, but I urge the Minister to ensure that the rolling stock is purchased and that a clear signal is given about the future of the line.

10.27 am

Andrew Gwynne (Denton and Reddish) (Lab): I am pleased to contribute to this important debate about the future of the rail industry, particularly as this is my first official outing as a member of the Opposition Front-Bench

[Andrew Gwynne]

transport team. I also congratulate my hon. Friend the Member for North Ayrshire and Arran (Katy Clark) on securing the debate today.

In recent years, a welcome consensus has developed around the importance of support for the railways, both the conventional and high-speed varieties. All parties recognise the important role that the rail industry must play in reducing the environmental impact of travel, and welcome the growth in passenger numbers that we have seen in recent years, to the point where more people travel by train today than at any point since the 1940s.

We need a system that works effectively and puts the needs of passengers, and indeed freight, at its core. We all want a clean, safe and efficient train network in the future, and one that is fit for purpose. The previous Labour Government were committed to providing that and, as my hon. Friend the Member for Hayes and Harlington (John McDonnell) said, we hope that the current Government recognise the need to continue the investment in the railways that our country so desperately needs. Given the comprehensive spending review tomorrow, we may well soon see how committed the Government are to the future of the railway industry. Like my hon. Friend the Member for North Ayrshire and Arran, I also welcome the lobby today by trade unionists and the TUC. We should remember that everyone is rightly concerned about the cuts that might be announced in the near future.

I would like to look at fares. The coalition's programme for government stated that they were

"committed to fair pricing for rail travel."

Will the Minister comment on reports from Channel 4 News over the weekend which speculated that we could face double-digit rises in train fares over each year of the spending review? It was reported that train fares are expected to be more than 30% higher by 2015, and industry sources pointed to a possible 40% hike in prices by 2015.

Media reports also suggested that the cost of a typical commuter season ticket between Brighton and London could increase from £3,104 a year to £4,260 by 2015, and between Swindon and London from £6,640 to £9,130. Does the Minister think that long-suffering train users will be willing to accept that?

Mrs Villiers: I would be grateful if the shadow Minister answered a question. Is he saying that if Labour had been re-elected, it would have cut rail fares?

Andrew Gwynne: I am very grateful to the Transport Minister for that, but of course it is my job to ask her questions. Labour is in opposition and I am asking whether she thinks that those kinds of speculative rail increases are fair on passengers.

Mrs Villiers: The hon. Gentleman should not believe all he reads in the papers. The coalition is committed to fairness on rail fares. The announcement on the fares formula for the next few years will be made on Wednesday in the comprehensive spending review.

Andrew Gwynne: I appreciate that, but it could well mean that some lines end up with a pricing of RPI—the retail prices index—plus 5%. That is particularly ironic, as the hon. Member for Lewes (Norman Baker), who is now a Transport Minister, was elected on a pledge in the Liberal Democrat manifesto on train fares for RPI minus 1%; and the Secretary of State, as the Minister has reiterated today, has previously said that he has made a commitment to fair fares.

Passengers will not pay more for less. If they see increasing fares alongside cuts to plans for new capacity and infrastructure, that could mean fewer people travelling by rail. What guarantees do we have that fare rises will be matched by infrastructure and capacity improvements? I appreciate that the Minister will be reluctant—perhaps unable—to add much today and we shall have to wait to see what the Chancellor of the Exchequer says in tomorrow's comprehensive spending review.

Franchising was mentioned. The Government's consultation includes an intention to impose a far more relaxed and flexible specification. Flexibility can be a good thing, but there is a worry that a hands-off approach could allow train companies to become too focused on short-term profit and cost cutting, rather than delivering the best service for passengers and encouraging greater use of the railway. Will the Minister give me assurances that that will not be the case and that sufficient specification to guarantee socially important services will remain?

It is encouraging that there is interest in rail franchise bids from not-for-profit, mutual or co-operative franchise enterprises. Indeed, I note that my hon. Friend the Member for Luton South (Gavin Shuker) has secured a debate on that topic in Westminster Hall tomorrow. However, there are still unfair barriers that prevent such bids from benefiting passengers and taxpayers, as we saw recently with the attempt by the Co-op through its Go! Co-operative initiative, which would have been the UK's first co-operative train operating company.

I shall refer briefly to some recent investments in rail. It is important to acknowledge, as my hon. Friend the Member for Hayes and Harlington and others did, the significant progress that the previous Labour Government made in the past decade in rebuilding the country's transport infrastructure after many decades of under-investment, which happened, to be fair, under Governments of all political persuasions.

We have completed the £9 billion programme to modernise the west coast main line, resulting in massive reductions in journey times, as I thankfully know from experience. It is now less than two hours from Stockport to London and, more importantly for me on a Thursday, from London back to Stockport.

Performance, capacity, reliability and safety levels throughout the rail network have improved significantly. High Speed 1 was up and running ahead of schedule, and the stunning redevelopment of St Pancras station proved to be a fitting terminal for high-speed trains to and from the continent. We delivered Britain's first high-speed rail line and set out plans for a new north-south high-speed rail network—points made by my hon. Friend the Member for Hayes and Harlington and by the hon. Member for Angus (Mr Weir).

We more than doubled investment in local transport from 1997, improving accessibility and helping to tackle social exclusion in local communities. By May 2010, investment in transport had reached its highest level as a proportion of national income for 30 years. In addition, Labour finally achieved what previous Governments had tried but failed to do, in securing a funding deal for

Crossrail. That is one of the most ambitious transport projects of recent years and will add 30,000 high-value jobs to London in the first 10 years and add an estimated £20 billion to the UK's gross domestic product. We also set in place the £5.5 billion upgrading of Thameslink, which will introduce new cross-London routes and, with longer, more frequent trains, will allow for much-needed capacity, more seats and less crowding on key routes in the capital.

The northern hub made it an ambition over the next 20 years to increase the number of train services in the north, including cities such as Newcastle, Liverpool, Manchester, Leeds and Sheffield, by 40%—700 more trains a day—making it possible for 3.5 million more passengers to travel by train every year. Those innovative and challenging projects were either delivered or planned. We need to continue that long-term focus on infrastructure and service if we are to provide Britain with the transport system that it needs to compete in the new global economy.

I wish to raise some specific issues with the Government. Transport cuts so far have totalled £683 million. That includes £108 million coming from Transport for London and £50 million from the better stations programme. I declare an interest, as that had a particular effect on Stockport station, which affects some of my constituents. The plans for hundreds of extra carriages to ease overcrowding have been put on hold.

In opposition, the Conservatives criticised the Labour Government in their 2009 rail review document, which recognised the need for extra capacity but accused us of not taking the problem seriously. There is a need for more trains, and I ask the Minister to tell us what the Government will do to alleviate that problem.

Can the Minister give me an assurance on electrification—an issue mentioned by my hon. Friend the Member for Bolton West (Julie Hilling)—both of the north-west routes and the great western main line, which are important projects to both regions? Likewise, can the Minister confirm that the Thameslink replacement of rolling stock will go ahead, which would in turn lead to the cascading of trains to the great western main line and the north-west routes?

The Government owe it to London's business community and the travelling public to be open about their plans for Crossrail. Will the Crossrail project be delivered in full, as proposed by the previous Labour Government? Will there be any cost cutting in areas such as engineering, which could lead to shorter platforms and less capacity? Will the number of stations on Crossrail remain unchanged?

May I ask also about the bonfire of the quangos that we saw last week? What plans does the Minister have for Passenger Focus and what will its functions be now? How will disabled passengers be heard effectively now that the present Government have abolished the Disabled Persons Transport Advisory Committee? The input of disabled passengers should be important, and that body provided a unique opportunity for both disabled people and industry to represent their case to Government.

The Government need to look beyond the period of the comprehensive spending review. We need a long-term vision for rail and we need to deliver these projects to build on our ambition for a world-class rail service in this country. The previous Labour Government left the rail network in a far better condition than we found it in. Rail passenger numbers increased by 40% in the past 10 years, and punctuality and quality of service improved steadily over that time, too. That is not an inheritance that the current Government should squander.

10.38 am

The Minister of State, Department for Transport (Mrs Theresa Villiers): I congratulate the hon. Member for North Ayrshire and Arran (Katy Clark) on securing the debate, and congratulate the shadow Minister, the hon. Member for Denton and Reddish (Andrew Gwynne), on his recent appointment and his first address from the Front Bench.

I thought that it would be useful to consider the questions that the hon. Lady helpfully repeated at the end of her speech. First, she asked whether Sir Roy McNulty's work is informing the comprehensive spending review. Neither his interim report nor his final report have yet been published or finalised, but I can assure the hon. Lady that Sir Roy has kept my right hon. Friend the Secretary of State and officials at the Department for Transport informed of his work, so that is feeding into the decisions being made on the comprehensive spending review. The early draft work, as it has been going ahead, has helped us to feed into the Treasury process and the CSR.

The hon. Lady also asked whether I would write to the executives of the rail operating companies about remuneration.

John McDonnell: Before the Minister moves on from the McNulty report, I point out that I asked whether she would meet the rail unions to discuss the McNulty report when the interim report is published in November.

Mrs Villiers: I was going to come on to that, but I am happy to answer it now. I have slight qualms about this while the industrial action is continuing on the London underground, because I am concerned about the huge inconvenience that that is causing passengers. As the hon. Gentleman is keen for me to meet the unions, I am happy to do that, but I would still urge them to find an alternative way to resolve their dispute on the London underground.

John McDonnell: The two issues are unconnected. We will make sure that the right hon. Lady can travel on a non-strike day.

Mrs Villiers: I suppose that I am particularly sensitive about the issue because the day on which I was due to meet the Transport Salaried Staffs Association coincided with a strike day so, for all sorts of reasons, it seemed inappropriate to go ahead with the meeting.

Turning to remuneration in the rail industry, the level of pay across the industry clearly needs looking at in the context of the McNulty review. I have discussed remuneration levels with the train operators, and I expect that dialogue to continue.

The hon. Lady's third question was about introducing a windfall levy for the train operators. The Government have no plans to do that. Her fourth question was whether I would meet her and colleagues to discuss those who—tragically for them—were made redundant by Jarvis. Yes, I would be happy to do that.

[Mrs Villiers]

On the franchising review, the hon. Lady asked specifically about a clause on ScotRail and she will appreciate that that is a matter for the Scottish Government, but she also asked a wider question about the approach that the UK Government will take in relation to the franchises for which we are responsible. I am not convinced that we should have a blanket withdrawal of that type of indemnity clause; there is a place for such clauses in appropriate circumstances. She then asked whether the McNulty review, and the Government considerations flowing from it, would look at an expanded role for the public sector and additional nationalisation. That is certainly one of the options that Sir Roy will consider.

The hon. Lady also asked about ticket offices and the loss of guards. In many cases those are matters for those operating services, but the overall approach in relation to the franchises is governed by the ticketing settlement agreement. We need to look at reforming that, to ensure that we get it right, but it is obviously important to consult properly with the communities affected by the decisions.

The hon. Lady also talked about the strike action on the London underground and the loss of guards. I am convinced that we need to modernise working practices in the rail industry. I am concerned, as I already said to the hon. Member for Hayes and Harlington (John McDonnell), about the damage to the London economy caused by the strike action that is taking place. We have to recognise that the way in which people buy tickets has changed, and that rightly will impact on London Underground's decisions about the deployment of its staff.

Julie Hilling: Does the Minister consider important the feeling of safety of passengers travelling on the underground, and on the rail network generally? Stations can often be very lonely, scary places for all rail users but particularly for women travelling alone. The fact that we have staff in ticket offices and on platforms increases both the feeling of safety and the actual safety.

Mrs Villiers: Forgive me; I am probably trespassing on devolved matters because the relationship between London Underground and its employees is of course a matter for which the Mayor is politically accountable. I have to say, however, that of course I am concerned about security for women using public transport—I am a woman myself—but there is a real argument for saying that staff deployed on platforms are more valuable to passenger security than those stuck behind ticket office windows. I am not sure, therefore, that the security issue can justify the retention of ticket offices. Security focuses on whether people have access to staff in stations, which is not the same as whether a ticket office is open.

I shall go on to some of the wider issues addressed by the hon. Member for North Ayrshire and Arran. I would like to assure the House that the coalition has put rail at the heart of its strategy for transport, in terms of re-energising our economy, reducing carbon emissions and addressing congestion on our roads. I welcome the support shown today for taking into account the concerns of both passengers and rail freight—a point rightly made by the shadow Minister. Much will depend on the announcements made tomorrow in the spending review. It is clear that transport will not escape the pain that is the unfortunate consequence of the deficit that we have inherited from the previous Government, but I emphasise that the Chancellor has made it clear that he recognises the economic benefits of investment in infrastructure to support economic growth, and that he recognises in particular the importance of investment in transport infrastructure.

The shadow Minister asked me about Crossrail. I am sure that he welcomed, as I did, the support expressed by the Chancellor at the weekend for the Crossrail project. We have also expressed clear support for Birmingham New Street, we are taking forward plans on high-speed rail and we are working very hard on Thameslink. Our focus in all those projects is to ensure that we value-engineer costs down to keep the projects affordable and deliverable within the spending envelope that is now available.

John McDonnell: I emphasise that, although there is a commitment to the Crossrail project overall, people are concerned about the paring down of the project and the missed opportunities that might result from that. For example, in my own constituency, Hayes and Harlington station is to be redeveloped. If there is any paring down in the investment of such station projects, we will miss the chance to include modal transfer opportunities and to ensure the integration of our local transport network.

Mrs Villiers: Both the Secretary of State and I have repeatedly talked about our support for delivering the whole project, and it is worth bearing in mind the excellent work done by the team behind Crossrail to find lower-cost ways to deliver the same transport benefits, and to deliver the whole project.

It is true that there has been significant good news on the railways in recent years. Since privatisation there have been some striking successes, with train punctuality now at record levels and a significant increase in the number of passenger journeys. Also, the number of miles travelled on the railways has gone up by 75%. Since privatisation, therefore, a story of managed decline has been transformed into one of significant growth. Although the recession has subdued that trend to a degree, we expect it to resume once the economy recovers.

So, that is some of the good news about the UK's railways. But the downside is that the cost of running the railways did rise dramatically under our Labour predecessors. If we are to deliver the improvements to services and capacity that hon. Members have called for today, and that passengers want, we have to find a way to get costs down. The disastrous deficit left for us by our predecessors makes it essential that we drive out cost inefficiencies on the railways, and we owe it to passengers to do our very best to get costs down.

Andrew Gwynne: Does the Minister not also recognise that it was the investment by the previous Labour Government that led to the very improvements that she has just championed as a cause of privatisation?

Mrs Villiers: I certainly recognise that the previous Government invested in the railways, and we would expect investment to continue under the current Government, given the huge importance of the railways

to our economy and to our climate change ambitions. I covered the fares issue briefly in response to the shadow Minister, but I shall repeat my comments on it. The coalition is committed to fairness in rail fares, but the reality is that the crisis in the public finances means that we might have to take some difficult decisions on fares, as in other areas. As I have said, I am unable to give further details on the fares formula until it is announced for the coming years in the CSR on Wednesday.

There has been much discussion about the McNulty process, which is focused on trying to understand why the cost of the railways is higher in this country than in other parts of Europe, and I am sure that today's discussion will contribute to and inform that process. It is important that a range of options be considered, and as part of our drive to deliver high-quality rail services at an affordable cost we need to consider how we reform Network Rail. Not even the levels of taxpayer support over recent years have succeeded in turning the company into the customer-oriented organisation that train and freight operators want. That fact was driven home when the rail regulator published the figures, to which the hon. Member for North Ayrshire and Arran referred: the potential 40% efficiency gap between Network Rail and European comparators. I acknowledge that there are always problems comparing Network Rail precisely with different railways in the rest of Europe, but these things should sound a warning bell that there is an issue to be addressed. If we are to be fair to passengers and the taxpayer, we need to find a way to make Network Rail more efficient.

Katy Clark: I think that it is accepted on all sides that there are issues to be addressed; indeed, that was why the previous Government set up the review in the first place. However, the Minister will have listened to what I said about the concern about the methodology used in the ORR report. Is she willing to hear further representations about that from those in the industry who have concerns? Given the publicity that the issue has had in the press, there is clearly a view that the Government will listen to the ORR report rather than taking a more forensic look at how other European railways operate.

Mrs Villiers: Of course I would be happy to accept further representations. One reason why we have continued with the McNulty study, which was set up by our predecessors, is precisely to find the true picture of the cost of Network Rail. The work done by the ORR is valuable, but it is just one point of view. Sir Roy is drawing on views and research from across the rail industry, including internationally, to find out what the facts really are.

Whatever reform we ultimately select, we will need to stress-test it in relation to the interests of freight operators. It is vital that we get the right balance between the interests of the railways' passengers and freight customers.

In looking at the options for reforming Network Rail, it is interesting to look at what has been done north of the border. Network Rail has decentralised its Scottish operations, and accounting separation has been introduced. We need to look carefully at whether such decentralisation might improve Network Rail efficiency in other parts of the UK.

My officials are working with Merseytravel, the passenger transport executive for Merseyside, to explore whether to devolve the running of the track used by the Merseyrail franchise so that it is wholly governed by local decision making. That project could help to provide an important benchmark against which to measure Network Rail's performance.

Another key issue is whether further contestability could be introduced for some of the work now carried out exclusively by Network Rail. Again, there is a Scottish example that is worth considering. In 2006, for example, Transport Scotland opened up about £20 million of rail funding for smaller-scale enhancements at stations and asked for offers from Network Rail and the train operators. By the end of the bidding process—if I recall correctly, this was under the Labour Administration—£19 million of the £20 million available was allocated directly to the passenger operators because their bids were judged to be better than Network Rail's. A similar approach has been used for the national stations improvement plan in England.

The hon. Member for North Ayrshire and Arran talked at length about franchise reform, which is the second limb of our work to improve the railways' performance for passengers and to get better value for money. The Department for Transport has recently concluded a consultation, and we are considering the responses. As I assured the hon. Lady during her speech, we want to encourage greater private sector investment in return for potentially longer franchises. We would continue to impose legally binding contractual obligations in franchises, including on the scale of the investment promised. We hope and believe that longer franchises will help us to deliver the investment and improvements that passengers want, including better stations. Longer franchises should also make it easier for train operators to invest in long-term relationships with Network Rail and their work force, which are crucial to running the railways efficiently.

We want to move to a system in which franchises are less heavily specified. In response to the shadow Minister's questions, however, I can assure him that we will continue to set demanding outcomes for train operators to achieve in terms of the quality of service that they deliver. We will have demanding and legally binding requirements to protect the interests of the passenger and the taxpayer. The difference is that in setting those outcomes, we propose to give the people running the railway more flexibility over how they deliver them.

Katy Clark: The Minister will recall that, in my initial contribution, I quoted the Government's consultation document, which said that European procurement law referred to 15 years and that that was why a starting point of 12 to 15 years should be the standard length of franchises. Does she not accept that that rings alarm bells? Will she explain why there is a link between European procurement law and her starting point?

Mrs Villiers: Obviously, the UK Government are bound by European procurement law to procure public contracts in a fair and objective way. In the context of rail franchises, it sets a top limit of 22 and a half years for contracts that involve investment. The reference to European procurement law was included in the consultation document because it governs the maximum that we can

[Mrs Villiers]

deliver in terms of rail franchises. Throughout the process of negotiating franchises, however, we will look to secure the best deal possible for the taxpayer, and we will ensure that we continue to protect the passenger interest. Train operators that do not comply with the obligations we impose on them will face sanctions, which, in extreme cases, could include removing the franchise.

In the few minutes that I have available, I want to talk a little about the inter-city express programme in response to the hon. Member for Angus (Mr Weir). I can assure him that we have no plans to scrap through services to destinations such as Aberdeen and Inverness, which he mentioned. As he said, the report produced by Sir Andrew Foster referred to one of the alternative strategies for the IEP, which involved ending those through services. As I said, however, we have no plans to do that. We recognise the economic value of such services, and we have certainly received strong representations from the Scottish Government and Scottish colleagues about the importance of retaining them.

Mr Weir: Will the Minister give way?

Mrs Villiers: I am sorry, but I have only two or three minutes, and I want to respond to an awful lot of points.

The hon. Gentleman and others talked about the electrification of the railways. We included our support for electrification in our programme for government and we recognise its benefits. It will support our sustainability objectives and improve services for passengers. It will become more and more of a greener option as we decarbonise the electricity-generating network. The pace at which we can deliver electrification will obviously depend on affordability and the priority of tackling the deficit. Much will depend on the comprehensive spending review announcement tomorrow. Of course, these decisions are also linked with the work on the high-level output specification rolling stock programme, Thameslink and the future of the IEP. An announcement will be made on those in due course.

Lastly, in the brief time that I have, I want to reiterate the Government's support for high-speed rail, which is a vital upgrade for our transport network. We recently announced our support for a Y-shaped network, with a line to Manchester and trains running on from there to the west coast main line and Scotland, and another line splitting off at Birmingham and going through the east midlands and South Yorkshire to Leeds, with trains, again, running on to the existing network and destinations further north. We will consult on that shortly. We will also have regard to the communities affected by the line's local impact before taking final decisions on whether to go ahead and what route to take. We appreciate that realistically these lines can be delivered only in phases, but our ultimate goal is to deliver the national network, for which I am sure there will be cross-party support.

Much has been achieved since privatisation, but we need a fresh focus on reducing costs in the railways that we already have. We need a drive to deliver high-speed rail because of the huge benefits that it can provide. The coalition is determined to meet both those challenges, and I welcome the representations that I have received on them today.

Historic Towns and Cities

11 am

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): I am grateful for the opportunity for this debate on historic towns. I understand from some hon. Members that there is debate about what constitutes an historic town—I see my hon. Friend the Member for Pudsey (Stuart Andrew) is present; but definitions are definitions.

I spoke in a previous Westminster Hall debate about the economic development of seaside towns, and that enabled me to discuss some of the problems of the town of Fleetwood, in my constituency. Today's debate gives me the opportunity to raise the issues that face another large part of my constituency—the city of Lancaster—and especially the issues concerning its economy and future growth prospects. The debate will also give others a chance to talk about the economies of their constituencies, and to raise areas of concern with the Minister.

I want to cover four main themes in my speech: heritage versus development; transport; tourism; and more general support for business and economic regeneration in Lancaster and the surrounding area. I am well aware that some of those issues are not the direct responsibility of the Minister, but they are all cross-cutting subjects that will ultimately affect the future of Lancaster, and I hope that you will give us some latitude, Mr Dobbin.

Lancaster's heritage is what makes it unique. It has an ancient history, which is glaringly obvious in the fabric of its buildings and the layout of its roads. That is an economic strength, because it feeds tourism, but it can also prove a drawback when it comes to developing the city. There is an obvious tension between preserving the ancient and historic elements that give the city its character and soul, and allowing much-needed development to take place, so that residents can have access to 21st-century facilities and business can expand and create jobs. Often, those tensions can be resolved easily, but equally often positive proposals for change can be stymied. I want to focus on one example.

Lancaster lacks a large-scale department store development, which means that local people and outside custom must travel to Preston, Manchester or, increasingly, Kendal, to obtain access to the types of stores that residents of other cities take for granted. That means that we do not have the trade that other cities have. We pride ourselves on the individuality of our small and family-owned shops, which is one of the strengths of the Lancaster shopping experience, but there is a lack of balance in the retail offer that is available to attract outside custom. Accordingly, proposals were put forward, by a company called Centros, to develop land owned by Lancaster city council and Mitchell's brewery, Lancaster's own brewery, for the creation of a new shopping complex. The complex would include a 97,500 square feet Debenhams store, a residential area, improvements to local theatres and an enhancement of the canal-side environment. That represents an investment of £150 million, and the possibility of 1,000 extra jobs for the area.

There has been opposition to the scheme, as will always happen. It is mainly co-ordinated through the campaign group Save Our City, but in general Mr and Mrs Lancaster have the feeling that something needs to happen. The developer took two years to consult extensively on the project. I understand that English Heritage was difficult to contact and that it did not engage with the consultation until the end of the process was at hand. However, it submitted its views, and at the end of the developer's consultation the plans were redesigned, to take account of concerns that were raised, including initial concerns that English Heritage had highlighted.

After that redesign stage English Heritage seemed happy, and accordingly decreed that the plans could be dealt with at the local level. The council then set aside two whole days for the planning application to be considered, at the end of which, in October 2008, the plans were passed, with a large majority—15 to four. Lancaster city council has continued to support the project since. I should point out that there is no overall control on the council. In fact, there are six political groups, and five in the cabinet, so it may be imagined how difficult it is to reach any kind of agreement at any time.

Most of the site that is due to be developed is flat already. Almost half the land that is designated for development is currently car parking space. However, part of the Mitchell's brewery site is very old. It has 18th-century buildings, which would, at one point, have been of significance. However, the decision of the Secretary of State, on the initial advice of English Heritage, was not to list any of the buildings. It was considered that Mitchell's brewery was "too altered" and not of sufficient architectural significance

"to merit listing in a national context."

Moreover, the adviser's report continued:

"Mitchell's brewery has been assessed for listing on two previous occasions and was found to be not of sufficient quality or historic interest to merit addition to the statutory list."

It added:

"The recent application for listing contains no new information, and thus there is no justification for revising the earlier assessments that the site was not listable."

However, at the last minute—and hon. Members may see where I am going with this—at the end of that drawn-out process, almost five years after the plans were first conceived and after the local council had approved the development, English Heritage performed a U-turn. That seems to have been on the basis of a new concern lodged by a member of the campaign group Save Our City and evidence submitted by regional advisory staff at English Heritage. English Heritage subsequently submitted a new report to the then responsible Minister, who ruled that the plans must be put on hold.

What precisely had changed? The developers have been trying to establish the exact reasons for the U-turn ever since and are seeking a way forward. My predecessor as Member of Parliament for Lancaster, who is now my hon. Friend the Member for Wyre and Preston North (Mr Wallace), sought information from the Department for Culture, Media and Sport through the Freedom of Information Act. However, the Department has been less than forthcoming. The information released, especially the report to the Minister, is heavily redacted, which provides us with little opportunity to understand what actually went on.

To be fair, I understand that English Heritage is now engaging with the developers again, but also that it is undertaking a new analysis of the site, brick by brick, with no end to the process in sight. I sometimes wonder

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whether, if English Heritage had existed in 1945, every bomb site in Britain would have been declared an historic site. Obviously, genuine heritage needs to be protected. It is not in the interest of the city council to do anything to detract significantly from the beauty and history of its built environment. That would only lessen the tourism economy and detract from the character of a beautiful city. However, when a local council and local businesses come up with a sensible scheme that would retain the character of a city but also give residents access to better, modern facilities, and provide regeneration and jobs, surely it goes against the grain of our new localism agenda to allow central Government to veto those plans. Moreover, if English Heritage has the power to interrupt the plans at the last minute, surely it must have a responsibility to be open about why it has made such decisions and to complete whatever other surveys it feels are necessary as quickly as possible, so as not to delay further such an important scheme.

I have one other point to make on the matter before I move on. If English Heritage is to have resources pared back as part of the comprehensive spending review, will the already slow, drawn-out out process of its involvement slow down similar applications in future? This is a time when we need private investment and jobs, not least in the north-west of England and certainly in Lancaster.

I have mentioned the obvious benefit that tourism brings to historic cities. Lancaster is no different. According to the council's website, the visitor economy is worth some £260 million a year to the area within the city council boundary. Many other cities have a focal point for their tourism industry: for Chester, its Roman history and walls; for York, the minster; and for Ludlow, its castle. Lancaster, too, has a castle, which is historically significant and contains the only remaining part of a building that was constructed by Henry IV; it is still owned by the Duke of Lancaster, Her Majesty the Queen.

However, the castle is not as big a tourist attraction as it could be. Large parts of it are still used as part of the oldest functioning prison in the world, leased by the Ministry of Justice from the Duchy of Lancaster. Courts also still operate inside the castle. The Prisons Minister has recently announced his Department's wish to terminate its lease of the castle and it is suggested that the Duchy, together with the local council and other interested parties, can operate it as a more highly specialised tourist attraction. The council is certainly keen that that should happen, having sought such an outcome for several years and having included the possibility in its tourism strategy document of a few years ago.

Once again, we can see the problem of tension between the old and the new, although in this instance both the status quo and a change of use for the building have economic consequences for the city. If the prison is closed, many prison staff will lose their jobs or have to relocate. The Prison Service will lose one of its best performing prisons, despite the ancient nature of the building. At the same time, there is a degree of scepticism about where the funding will come from to remove a prison from an ancient castle and to terminate a lease—a lease from the duchy—and, in the present financial climate, about whether the county or the city council will have the wherewithal then to convert it into a major tourist attraction. We await events, but that is why I am trying to talk to the duchy, the Ministry of Justice, the council, prison employees and others to find the best way forward. I hope I am wished some luck.

Transportation, too, affects a lot of historic cities, and has a role to play in economic development. The narrow lay-out of streets in historic towns was often planned centuries ago, with little regard for modern modes of transport. Accordingly, transport links and road congestion are other problems faced by places such as Lancaster.

Often transport patterns have changed. New towns and cities have sprung up in recent decades, and new housing estates or industrial sites have been built, meaning that journeys are being made to places to which there was no need to travel in the past. Lancaster suffers particularly badly from traffic congestion.

One of the main contributors to the problem is the heavy vehicles travelling to Morecambe and the port of Heysham, because there is no link between the port and the M6. Traffic comes off the motorway and through Lancaster city, forcing queues to form as traffic waits to get over the only two bridges linking Lancaster and Morecambe en route to the port of Heysham. Plans for a link road have lain on the drawing board for some 50 years—but there has been no action. Now the plans for the link road are part of the proposals put on hold by the Department for Transport in the run-up to the spending review.

The link road has the support of the vast majority of businesses in the area and is championed by Lancaster chamber of commerce. I support the road, as does my next-door neighbour, my hon. Friend the Member for Morecambe and Lunesdale (David Morris), through whose constituency the road would run. The road is important for future growth in Lancaster and, without it, links to the city are poor and businesses will continue to suffer. Moreover, the port of Heysham is to be improved, with its connections to the Isle of Man and Northern Ireland, and there is the possibility of a new nuclear power station being built at Heysham, so we need the road to help such expansions take place. Those expansions should lead to new jobs for the area. I also hope that in the not-too-distant future the scheme will be approved and we will get our link road, after such a long wait.

However, the link road would not be a panacea for traffic congestion. Local transport movements of smaller vehicles would still mean congestion, especially at the choke points approaching the bridges. Local transport schemes need to be funded to allow better car movements—again, there will be tension between planning and keeping the character of the city centre. We need to encourage a modal shift to buses and other forms of sustainable transport. Once again, reduced congestion can only help local business.

I turn now to specific regeneration and business support measures. I welcome those Government decisions that are likely to help small businesses, such as a further extension to small business rate relief and a tapered drop in corporation tax over the next few years. They are welcome and will encourage growth across the city.

Lancaster has one of the highest proportions of public sector workers in the country, and the announcement on the comprehensive spending review tomorrow will

lead to a reduction in the public sector work force. So, I am pleased that the Government have established the regional growth fund, which will create a £1 billion pot to help the transition from dependence on public sector jobs to the private sector. The fund will be vital in supporting private enterprise outside London and the south-east. I hope that Lancaster and Fleetwood, and the surrounding area, will get their fair share of the support package.

That leads me to my final point. I am pleased that the Government have stuck to their promise to abolish regional development agencies. Those bodies were bureaucratic and, in the north-west, a great deal of their funds ended up in the big city conurbations of Manchester and Liverpool. With respect to those cities, it too often seems to us in Lancaster that, for many people in London, the north-west seems to end on the outskirts of Manchester and Liverpool.

The new local enterprise partnerships, therefore, should allow smaller, more focused efforts at development, designed around the needs of more homogeneous communities. I know that there are a number of bids in Lancashire at the moment and I hope that we will end up with an LEP model that achieves the aim of bringing adequate, properly targeted investment into our area while providing suitable economies of scale.

In conclusion, Lancaster knows, as does the rest of the country, that it must face up to the deficit legacy of the previous Government. It knows that Government support, in terms of investment, will be tight. So please allow Lancaster, when it believes it has the local wherewithal, to encourage new investment and to protect what is best in its historical heritage. Please do not allow Government agencies and quangos to get in the way.

11.14 am

Hugh Bayley (York Central) (Lab): I congratulate the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw) on securing this important debate. I listened with care to what he said.

Striking a balance between preserving heritage and generating jobs for people in the present day is important. However, I do not take the view that heritage is an obstacle to development. If I look at my own constituency, the city of York, I see the valuable built heritage as an enormous economic asset.

York is especially rich in built heritage. The Multangular tower is, I think, the only extant Roman building in Britain that still rises 10 metres above the ground. The minster and city walls were mentioned by the hon. Member for Lancaster and Fleetwood. York has mediaeval streets such as Shambles and Georgian streets such as St Leonard's place, as well as Victorian architecture. Great museums, such as the National Railway museum, the Jorvik Viking centre, the Castle museum and the Yorkshire museum, and the race course all attract visitors to York in their millions. In the last year for which I have figures, 2008, 7.1 million tourists visited York—2009 figures will be out soon—and they spent £450 million in the city, creating thousands of jobs for local people.

Those historic assets, when combined with extremely good schools, two excellent universities and York college, in a brand-new building, have made the city of York a magnet for investment. There are new industries such as those based on bioscience, which have grown out of expertise at the university of York campus. Engineering, which still employs thousands of people in York, draws on the city's long railway heritage, and there are, as I mentioned, thousands of jobs in tourism and retail.

The York economy performs particularly well. Almost 80% of the working-age population in York is in employment, compared with less than 75% nationally. Only 6.8% of people in the city of York have no qualifications at all, compared with more than 12% nationally. More than a third of the population in York—36%—have a national vocational qualification of level 4 or above, compared with only 29% nationally. Only 4% of young people in York are not in education, employment or training, compared with some 14% nationally.

In terms of business growth, York again does well. Between 2000 and last year, the number of businesses in York grew from 4,645 to 5,820. No one could possibly say that York's exceptionally rich heritage is an obstacle to economic activity or development. In fact, it is an asset.

There is a citizen-led campaign in York for the city to gain UNESCO world heritage status, which I support. There is no evidence that Edinburgh castle and the Royal Mile have suffered as a result of the city obtaining UNESCO world heritage status. I hope that the York bid will get support from York city council and from the Department for Culture, Media and Sport. It would in no way interfere with development, because York and its planning authorities have to safeguard the heritage whether or not we have UNESCO world heritage status.

When the developers were digging the foundations of the Coppergate site 30 years ago, they uncovered Viking Jorvik. Far from demanding money from the Government to dig the site, the York Archaeological Trust made the dig a commercial success, in the same way in which the Jorvik museum is now a commercial asset to York as well as an important guardian of the city's rich historical heritage. The site draws visitors to the Coppergate area, which is a shopping centre as well, so it is good for business, too. The same is happening in Hungate. The Archaeological Trust is currently digging the site in a way that is compatible with development.

York's historic assets, such as the minster and the National Railway Museum, are treasures of national and international importance. As such, they need support from national Government. I welcome the decisions that were taken in the Government's quango cull this week not to get rid of the independent status of the National Railway Museum and, particularly, not to merge English Heritage and the Heritage Lottery Fund, which are two bodies with separate roles. English Heritage has a regulatory role and makes grants available from public funds, whereas the Heritage Lottery Fund makes grants available from lottery receipts, and we need both bodies. I warmly welcome confirmation of the Heritage Lottery Fund's grant of £9.7 million towards the restoration of York minster's great east window, which is the largest mediaeval work of art anywhere in the world. It is a Yorkshire icon and has been for centuries. It will cost some £25 million to restore, and our generation must not fail to maintain an international treasure with the status of York minster.

Yorkshire Forward had promised two substantial grants to heritage bodies in York. Some £5 million had been pledged towards the cost of re-displaying the

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exhibition in the National Railway Museum's great hall—which has not been re-displayed since the museum was first built—and £1 million was to go towards restoring the minster's great east window. As a result of the Government's decision to abolish regional development agencies, those grants were withdrawn. Although I do not want to get into an argument now about the benefits of regional development agencies today, I do want to say to the Minister that if a vehicle for distributing resources to generate employment is going to change, which it is, it is important that the new mechanisms recognise the importance of heritage as a generator of employment, and that there are times when grants need to be made to support heritage because of the economic and employment consequences of so doing.

I know that we live in straitened economic times, but there is much that the Government can do to support the valuable heritage of historic towns and cities such as York that does not necessarily cost a fortune. Sir Ron Cooke, a former vice-chancellor of the university of York and a fellow of the Royal Geographical Society, recently wrote the interesting document, "Downtown York: a practical manifesto". Although I do not expect the Minister to read it because I know that mountains of paper go across ministerial desks, I commend it both to his officials and to officials in the Department for Culture, Media and Sport. There are some big ticket items such as major economic developments to which the Government would have to make a contribution. The York central site, for instance, is a large one—it is probably two thirds of the size of the area within York's city walls—behind York station, bounded by railway lines with difficult access. It is a huge development site adjacent to the city walls, which provides enormous opportunities for York's continued economic development. Without some Government funding for access roads, for instance, that development will not take place.

In his paper, Sir Ron Cooke says:

> "York's inner-city streetscape, its ambience and public realm, are unique and spectacular resources that are fundamental to the city's present and future prosperity. They are amongst the city's special selling points, not just for visitors, but also for residents, entrepreneurs, investors, job creators, employees on the move, and students."

He says that those streets are the stage on which everyone plays. He makes the point that through planning decisions, we sometimes undermine or wreck that very special ambience. In the 1960s for example, some concrete and glass buildings—thankfully, only a few—were built in the centre of York. We recently gave permission for a rail engineering firm to build a block that overshadows the city walls. Those planning mistakes should not be repeated, as they undermine what is special about York and what draws investment to York.

Sir Ron Cooke also mentions signage. We litter everywhere with street signs. Sometimes, a big illuminated concrete or stainless steel monstrosity is erected in the wrong place. There is one such sign at the end of Shambles, which is the prettiest mediaeval street anywhere in Britain. The signs can be taken down; they are not needed. The streets of York were not built for motor cars, and most of them are pedestrianised anyway, so cars do not go up and down them. If a bollard is really needed, we could put up something appropriate that is made of cast iron rather than concrete. Such things do not cost a fortune. We could set up a committee to plan in a different way. Given that York and other historic cities are such valuable places for running businesses, developers tend to want erect buildings that are in keeping with the surroundings.

I know that many other hon. Members want to speak, so I will conclude. I am grateful to the hon. Member for Lancaster and Fleetwood for obtaining this debate and giving me the opportunity to say a few words.

11.27 pm

Bob Russell (Colchester) (LD): I congratulate the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw) on calling this debate. However, my sentiments and sympathies are more with the hon. Member for York Central (Hugh Bayley), which is perhaps not surprising, given that I represent Britain's oldest recorded town. For the record, it was the first capital of Roman Britain when London was just a few huts on the mud banks of the River Thames.

When we talk about historic towns and cities, we must recognise the need for central Government. They cannot be left to the local council of the day. We are, after all, today's custodians of yesterday for tomorrow. Short-term, quick decisions that are made can have a lasting legacy of the wrong sort. I say thank goodness for English Heritage. None the less, I wish that it had more powers in the decision-making process rather than had its powers weakened. Often, it takes a wider view. Is it right that a local authority should, to all intents and purposes, be lumbered with the financial consequences of maintaining national heritage? Colchester has the largest surviving Roman walls of any town or city in this country. They go back some 2,000 years, and they desperately need £500,000 to maintain them.

Colchester has applied for world heritage site status. It deserves such recognition not only in view of its status as the first capital of Roman Britain but because, in December 2004, the remains of the only Roman chariot-racing circus, or stadium, were discovered. The circus would have been a massive structure, accommodating 16,000 people in an all-seater stadium. We are lucky that the Victorians who designed the Colchester garrison in the mid-1850s left a huge expanse of greenery between the barracks to the east and the barracks to the west without even realising that they were doing so. The barracks have now moved out to the new barracks site and the standing requirement in Colchester for planning is that there must be an archaeological dig. In the dig at that site, the circus was discovered.

Colchester has a pre-Roman history. It was the home of the Trinovantes, the local Celtic tribe. The Romans invaded in 43AD and it was in the ancient British settlement that was located two miles to the south of modern Colchester—if we can call a Roman town "modern"—that eight Celtic kings offered their surrender to the Romans.

In 60AD, Colchester had a visit from Queen Boudicca, ruler of the Iceni tribe in Norfolk, who destroyed the town. In those days, the town, which subsequently became a Roman city, had a population of 10,000, a huge figure for that time. Remarkably, Colchester is the

only Roman city that today does not have city status. When I queried that at the time of the millennium city appeal and the golden jubilee city appeal, I was advised that the only person who could remove city status once it had been granted was the head of state. The head of state who granted city status to Colchester was the Roman emperor. There is no record from the subsequent 2,000 years of the head of state ever withdrawing the title of "city" from Colchester and I put it to you, Mr Dobbin, that justice demands that we should have that city status reinstated.

We have to be careful with our historic towns and cities. I can show people around my town and show them that the Roman street grid pattern still exists today. The high street is the Roman road—people can see that it is still straight. Unfortunately, in the early 1970s in a street parallel to the high street, the "experts" said that the street pattern ought to be broken up. Consequently, a street that had stood for nearly 2,000 years—or rather the line of that street—has now been obliterated by a new shopping precinct, because that is what the "experts" said should happen in the early 1970s. However, about 10 years ago other "experts" said that that was the worst thing that had ever happened to Colchester, so we have to be careful with "experts".

We are also a Saxon town. In fact, the tower of Holy Trinity church was built by the Saxons before the Normans came and it was built out of Roman remains. Furthermore, the Norman castle, which is vastly superior to any other castle that still remains in Britain and indeed is the largest Norman castle in Europe, was also built largely out of Roman remains.

I mention the Norman castle because it also needs loving and regular care and attention, as do the Roman walls, the Roman circus and Gosbecks archaeological park—or rather, Gosbecks would be an archaeological park if the Heritage Lottery Fund had coughed up the money that was sought in the park's application to achieve such status.

We cannot expect a local authority to fund nationally acclaimed historic tourist attractions. So I am making a special plea that we need to provide national funding for such attractions. However, it is quite interesting that the last Government recognised that tourism had an important role and it provided millions of pounds, through the Arts Council and urban regeneration funding, for the arts. In the case of Colchester, what they thought would make a great tourist attraction was not all that Roman or Norman heritage, nor the fact that Colchester was one of the last major scenes of the English civil war—during the siege of Colchester, Colchester lost more lives within the Roman walls than it did during the two world wars. No, it was decided that what Colchester needed was not something to do with history but rather a visual arts facility to promote contemporary Latin American art. Such art is a subject that the people of Colchester constantly talk about—actually, I think not.

The original project price of that facility was £16 million. Today, the construction of the facility is running approximately four years late and £8.5 million over budget. I recognise that that money came from different pots, but I am criticising the previous Government for channelling it through "culture" when, in the case of Britain's oldest recorded town, it should have been channelled through "history" and gone into the town's history. If that £25 million had been spent on the various Roman and Norman sites that I have mentioned, it would have been far better spent.

So that is where we are. I want to conclude by referring to a relatively small part of the history of Britain's oldest recorded town. The world's most popular nursery rhyme was composed in Colchester in 1805. That nursery rhyme is "Twinkle, Twinkle, Little Star". I will not recite all of it. However, the house where the Taylor sisters wrote it, which is in West Stockwell street, is currently on the market. I believe that the purchase of that building and its promotion as the place where the world's most popular nursery rhyme was composed would draw in more visitors than the visual arts facility, which will also require an annual subsidy from the public purse of £600,000. So, on top of the £25 million that it cost to build an arts facility that most people in Colchester did not want but that was dumped on them, taxpayers will have to find £600,000 a year to subsidise the facility. As I have already indicated, if we had national financial support for our national heritage—whether that heritage is Roman settlements or "Twinkle, Twinkle, Little Star"—that money would be better invested and it would bring in the tourists.

11.36 am

Stephen Mosley (City of Chester) (Con): I want to congratulate my hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw) on securing this debate, which is of the utmost importance to his constituents and mine. Like Lancaster, York and Colchester, Chester is a beautiful historic city that has been economically successful for almost 2,000 years. As with many historic towns and cities, Chester was traditionally a county and market town, and the modern Chester still has a very important sub-regional role, providing jobs, shops and entertainment for a huge area that stretches across north Wales, Cheshire, the Wirral and north Shropshire.

As a result of their history, culture and pleasant surroundings, historic towns have tended to be very popular and desirable residential locations. However, such popularity and desirability bring about their own problems, in terms of high house prices and the difficulty that many local people face in affording housing in towns such as Chester. In the 21st century, we also face a threat to our traditional economy, which is based on being a retail and tourism centre, from increased competition, internet shopping, out-of-town retail parks and cheap foreign travel.

In Chester, we also have a problem that other historic towns and cities have not had to deal with so much. That problem is that we have not always taken advantage of our historic assets; we have not looked after them and we have not maximised their potential for economic advantage. We look to places such as York and see what has been done there, and we in Chester want to follow in the footsteps of the people of York and ensure that we are as successful as York has been.

There are a few challenges and opportunities that I would like to discuss. First, we must ensure that we all make maximum use and take maximum advantage of the assets that we already have. In Chester, we have a thriving shopping centre and we are already a world-renowned visitor destination. We also have the most successful zoo in the UK, the Roman walls and

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amphitheatre, and the Chester Rows, a site that is another applicant for UNESCO world heritage status. Furthermore, Chester Races draws tens of thousands of people to our city.

However, we need to do more to ensure that we continue to prosper in the 21st century. In the future, we need to give the people who come to Chester more. When people go shopping in Chester, we need to ensure that they get more than just the shops. We have to ensure that we entertain them and inform them as well. People have to know that if they come shopping in one of our historic towns there will be things happening—street entertainment, museums, galleries, theatre, a wide range of restaurants, interesting historic sites, and parks and open spaces in which they can relax. The same is true with tourism.

In Chester, we have been successful in getting people to come to our city on day trips, but we are aware that day-trippers do not spend huge amounts of money in the city; they tend to come in on the coach, spend a day there, have a look around and disappear again, without putting their hands in their pockets. We have to ensure that we start selling our historic towns and cities as a package. We want to encourage people to come to Chester and not only come for the day but spend a couple of nights. They could see the zoo one day or go to the races, then spend a day in the city centre going shopping or walking the walls and seeing some of our historic sites, such as the cathedral, and perhaps on a third day they could go to north Wales, into Snowdonia, or to Liverpool for the day. People need to know that if they come to Chester or one of our other historic towns or cities, there will be something going on regardless of the day, week or time of year. We need to start marketing our towns and cities as a package – a mix of history, culture, entertainment and shopping. That total mix is important.

Out-of-town shopping centres may have shops and the cinema, but do they have the culture and the history? A day trip to a theme park may be fun, but does it educate someone or allow them to shop in high-quality high street shops? It is only by maximising, and making the best use of, all our assets that we can work towards delivering our goal, which is to have a vibrant and busy local economy and for our historic towns and cities to thrive, compete and prosper in the 21st century.

Like the constituency of my hon. Friend the Member for Lancaster and Fleetwood, transport and local transport infrastructure is one of the biggest problems we face. Historic towns tend to have been built before the invention of the motor car, and the Romans did not think of the needs of the car when they were building the city and laying out Chester's street network. We also have the problem of being unable to adapt our local transport infrastructure due to our historic heritage. No one would seriously suggest blasting a hole in our city walls these days to build a new road or tramway, and, similarly, no one would consider knocking down a row of listed buildings to widen a narrow road.

Historic towns tend to be restricted by their geography. Chester, like many historic towns and cities, is built on the lowest fording point of the River Dee, and consequently faces huge problems getting people from one side of the city to the other, when the river is running through the middle. In Chester, we also have only two bridges crossing the river, so road traffic faces severe difficulties getting from one side of the city into the city and out. That is exacerbated by the fact that, like Lancaster, people have to travel through the city centre to get from one side of Chester to the other. We have to get away from through traffic being funnelled through city centres. Suitable bypasses that allow traffic to avoid the centre are, in many cases, a desperate requirement, and, to that end, like my hon. Friend the Member for Lancaster and Fleetwood, I would like to highlight the long-standing and desperate need for a Chester western relief road, which would not only relieve congestion within the city centre but open up a large area on the English-Welsh border for economic redevelopment in future.

When people get in to the city centre, they still face problems. Car parks are often worth more as development sites than car parks, which leads either to sky-high car parking charges or to a shortage of parking spaces in the city centre. We all want a reduction in unnecessary car travel, but for many historic towns, especially those with a large travel-to-work or travel-to-shop catchment area, car travel is necessary. Over-expensive parking or a lack of parking has only one effect: it discourages people from visiting the city centre and encourages them to travel to out-of-town locations instead. To combat that, local authorities have to ensure that there is adequate low-cost car parking. New and novel pricing structures need to be introduced as well. For instance, Chester has a free-after-three scheme, which allows and encourages local residents into the town in late afternoons and early evenings—traditionally quiet periods for the city centre shops—while ensuring that all-day parkers, who tend to have to go to the city centre to work, are encouraged out of their cars and into the park-and-ride scheme. It is more cost-effective to use the park-and-ride scheme for the day than use the car parks and fill up space needed for shoppers and visitors. Of course, such schemes also reduce rush-hour congestion.

We cannot forget the importance of the railways. Many historic towns and cities were key link points during the expansion of the railways in the 19th century. Typically, historic towns have very good rail links, which provide some strange ties—for instance, Chester has good rail connections with London, but the direct train to London stops at Milton Keynes. Chester has advertised in Milton Keynes, and we have had a huge number of people coming from Milton Keynes to Chester, because it is just as easy to get to Chester as it is to get to London for the day. We are encouraging people from Milton Keynes to come. I did not think that Milton Keynes was in a suitable catchment area for Chester, but it is, due to those rail links. Virgin Trains said that the Chester-London line has been its best performing line over the past year, so more people have been encouraged into the city, encouraging more improvements in our local economy.

We are lucky that our historic towns and cities provide a desirable environment; people want to live in and visit them. Companies want to be based in them and bring their customers to them. Consequently, we are seeing huge demand, even in these straitened times, for high-quality, modern business locations. However, there is a problem in historic towns in that it can be difficult to find room to accommodate that new business growth. We cannot easily clear large sections of an historic city

centre for redevelopment without destroying our historic heritage. The city centre of Chester, like Colchester, is surrounded by walls, so there is a natural limit on growth in the city centre. Consequently, there are huge pressures to develop outside the town in the neighbouring green belt. Historic towns must be allowed to develop organically, and, sometimes, some green belt development may be necessary, but that should be only when there is no alternative. In the meantime, we must maximise redevelopment opportunities and take maximum advantage of opportunities as they arise.

The current economic situation and the proposed downsizing of all levels of government have a silver lining, in that they provide a once-in-a-lifetime opportunity for historic towns and cities to release land in town centres for new development opportunities. The abolition of Cheshire county council last year led to the sale of the old county hall in Chester to Chester university for the development of a new riverside campus. The gradual downsizing of Lloyds Banking Group, following its creation through the merger of HBOS and Lloyds TSB last year, has led to a huge tract of land becoming available between Chester station and the canal in Boughton, which, I hope, will be redeveloped as a new business district in the heart of the city. Recent school closures have provided land for new retail development, new care facilities and new affordable housing for local residents. Therefore, there is a sliver lining to the reductions in Government expenditure and the release of properties in our historic cities for economic purposes.

Our historic towns and cities have, by nature, tended to be successful and prosperous towns. By selling our historic towns as a package, improving their transport infrastructure and allowing organic growth, we can help them to become even more successful in future.

11.49 am

Mr David Ruffley (Bury St Edmunds) (Con): This has been a good-natured debate, but I am afraid that I am going to introduce an element of controversy: I yield to no one in my belief that Bury St Edmunds, which I have the honour to represent, is the best historic town in these isles. I congratulate my hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw) on securing this important debate.

My constituency is truly historic. Its famous abbey ruins were central to the initiation of Magna Carta, and St Edmund, the patron saint of England, is buried there. It has a terrific cathedral whose tower was recently finished using millennium money. That is the true ship of the fens; forget about Ely cathedral. The town centre has magnificent Georgian streets and a marvellously restored Georgian theatre, the Theatre Royal. An important and traditional brewing business, Greene King, now one of the biggest brewers in western Europe, is located right in the centre of town, providing jobs and a focal point for community activity.

As many speakers in this debate have said, however, historic towns cannot stand still. If they are imaginative and have intelligent leadership, they must combine the best of the past and the future. For that reason, I wish to draw attention to the biggest retail development that Bury St Edmunds has ever seen: the Arc development, built on the old cattle market in the town centre. I pay tribute to St Edmundsbury borough council, under the excellent leadership of Councillor John Griffiths and his deputy, Councillor Sara Mildmay-White, for being an example of localism at its best. Such an important development would not have occurred without their vision and practical ability to drive it through.

Importantly to me and many of my constituents, the development, although modern, is architecturally in tune and in sympathy with the great historic core of my town. It was designed by Sir Michael Hopkins, whom architecture buffs will know as the architect behind Portcullis House and the auditorium at Glyndebourne. Anyone who looks at the design—thousands upon thousands of people from across East Anglia shop there, particularly at weekends—can appreciate what a fine piece of work it is.

The Arc has 370,000 square feet of retail, a 40,000 square foot public building—I will speak more about that in a minute—and 62 residential units. My hon. Friend the Member for City of Chester (Stephen Mosley) drew attention to the importance of car parking. That was a controversial issue during the development, but the Arc has 850 car parking spaces, including a particularly fine and distinguished underground parking facility.

The total cost of the scheme was approximately £136 million. The developers, Centros, assembled much of the finance, but St Edmundsbury borough council ensured that money was stumped up for the public venue, which cost about £16.5 million, including a modest contribution of about £1.5 million from the East of England Development Agency, which will soon be late and lamented, as it did its bit for my town while it existed.

The economic rationale for the development was clear. Several years ago, the town leaders—I played a modest part—understood that a new and more acquisitive society had been created by the boom years. Sadly, the boom years turned to a bust, but they will return under the leadership of my right hon. Friend the Chancellor. People want better retail and more of it. We realised that unless we moved with the times, Bury St Edmunds might keep its history, but it would not keep its retail sector running at the level necessary for the market town to remain vibrant.

We commissioned a study that showed that people in the Bury St Edmunds catchment area were spending about £700 million on what is called in the jargon "comparison goods". The analysis stated that without the new development, the amount spent in the town would be only £263 million. In short, we were competing with the much bigger retail centres of Cambridge, Ipswich, Norwich and Colchester. We are now back in the game. Some of the early benefits and signs of the Arc's importance can be seen in the figures produced by Experian, the financial analysts, for Bury St Edmunds since the opening of the development at the start of 2009.

Bury St Edmunds has moved from 161st in the country's retail rankings to 145th. Some 300 new long-term jobs have been created on the site, and an unquantifiable but significant number of additional jobs have been created as a result of the development. Nine companies based in and around the town were involved in the building, which also boasts a timber-frame aspect and waste disposal facilities, all drawing on local business.

The main indicator of footfall in Bury St Edmunds is car parking. The number of cars parked in the town has

[Mr David Ruffley]

risen by 8%, while centres in other parts of East Anglia have experienced a typical decrease of about 10% in the past two years. It is estimated that the development generates £500,000 a year in business rates. Not all the units have been let, so we expect that number to grow. The commercial property vacancy rate since the development opened has been about 8.5% , while the average throughout England and Wales at the start of 2010 was 12.4%.

Meanwhile—other hon. Members may have noted this phenomenon with regard to new developments in their constituency—outside businesses have come in to get a bit of the action. Where such businesses see more footfall, they see an opportunity to grow. Existing and long-established shops in Bury St Edmunds, such as Palmers, were initially concerned that they might be crowded out or that the new development might take away their custom. In fact, I am told, Palmers reports increased turnover since the Arc opened.

One significant entry into the town has been a high-quality, brand-new, badly needed Asda superstore west of Bury St Edmunds town centre, where it now serves a huge part of the population that felt disenfranchised in retail terms. That is one development for which the borough council cannot claim credit; it is all down to the doughty campaigners of the Howard estate, their unofficial leader Mr Ernie Broom and the redoubtable men and women, mainly pensioners, of the over-60s club on that fine estate. If I may be party political for a moment, they are an example of the big society in action. They assembled public meetings and persuaded Asda that a shop was needed there. We got the shop, and it has been a huge success. That ties in with the redevelopment of Western Way, where the borough council has moved its offices to a modern site.

I hope my few brief remarks have reflected what other colleagues have also said this morning: that history can, indeed, be combined with the best of the future. If towns have good leadership and individuals who want to participate to build a stronger community—a stronger business community—that will welcome tourists and shoppers from outside the area, there is a way forward. It is not always big Government who can make big developments happen. Like so many other historic towns, Bury St Edmunds does not need a handout; all it needs is a hand up from good leadership at the head of its communities. As I reflect on what has been achieved in the past two years, I am proud to have been the Member of Parliament for somewhere that is very fine and is, dare I say it, the best historic constituency.

[Mr Philip Hollobone *in the Chair*]

Mr Philip Hollobone (in the Chair): I think I am right in saying that we may be about to have a debut performance from the Member speaking for Her Majesty's loyal Opposition—Mr Gordon Marsden.

12.1 pm

Mr Gordon Marsden (Blackpool South) (Lab): It is a great delight to serve under your chairmanship, Mr Hollobone. I warmly congratulate the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw)—a fellow Lancastrian MP—on his presentation and on securing the debate. In that welcome, I embrace all hon. Members who have contributed. If I were a tourist buff visiting from the United States or Japan, I would be absolutely gobsmacked at the cornucopia of opportunities that all hon. Members have talked about—many congratulations to all who have spoken.

I want to highlight what the hon. Gentleman said. In his typically robust and common-sense way, he laid out some of the key issues and challenges not just for Lancaster, but for many of the towns and cities that have been mentioned. Of course, Lancaster is a very fine city. Its distinctiveness reflects that of the county palatine, which was created in the 14th century and is directly linked to the royal family. That is why at dinners in the historical county, which includes Blackpool, we still end our toasts to the Queen with the words, "The Queen, the Duke of Lancaster." In the inclusion of those words, we tend to gloss over the fact that the building up of his power by Richard II did not exactly have the results that Richard II anticipated.

In talking about the issues surrounding the shortage of retail shopping, the hon. Gentleman rightly illuminated challenges and tensions, particularly in relation to Lancaster castle, between current usage and possible future heritage usage. We must also consider the specific issue of transport access—narrow city streets—to which I will return. All those topics are very important, and he presented his case very well indeed.

There was a common theme to all today's presentations. My colleague and hon. Friend the Member for York Central (Hugh Bayley) talked about how strongly heritage has driven economic success and growth. The hon. Member for Colchester (Bob Russell) discussed the very interesting issue—although it is not necessarily one for this debate—of the extent to which local authorities should be held responsible for historic assets. In respect of cathedrals, the Church of England has, of course, argued the toss with English Heritage on that for a number of years with some success.

I entirely agree with what the hon. Member for City of Chester (Stephen Mosley) said about sub-regional roles and the total mix. We cannot keep heritage in aspic or have retail that ignores the historic context in which it is delivered. That total mix is extremely important. The hon. Member for Bury St Edmunds (Mr Ruffley) gave a bravura performance in demonstrating that we can actually have a connection between the past and the future. He also made an important point about the role that local people, groups and associations play in that rich mix of regeneration. It is not just a question of top-down government. As I say, in that respect, it has been a good and enlightened debate.

The Government can play a key role, which does not have to be overbearing, in the economic development of our historic towns and cities. The previous Government had a decent track record on the matter, and many of our historic towns and cities, whether it is Liverpool in the north-west or Hastings in the south-east, have experienced a renaissance in recent years. Much of that was helped by targeted support from the previous Government, which meant that existing buildings were preserved and adapted to become cutting-edge new venues. That has often been linked to the economic renewal of many historic cities and initiatives—none more so than the recent initiatives in Liverpool, when it

was the city of culture. I want to mention briefly the Bluecoat theatre in Liverpool, which was first built in 1708 as a charity school. It was reopened in March 2008 after a £14 million redevelopment in which Arts Council England, the Heritage Lottery Fund, the regional development agency, the European regional development fund, trusts, foundations and private donors all played a part.

I would like to add a couple of points about that project that are relevant to this morning's discussion. The project involved adapting a traditional building to 21st-century local economy needs to showcase visual art, music, live art and literature. Incidentally, the project built on a tradition that has ranged from showing the post-modernists in 1911 to Yoko Ono in 1967—she came back in 2008 for a reunion. The project was completed with a mixture of private funding and public funding from the Government and other bodies.

Looking around the Chamber, it is interesting to note that the contributions have not come from Members representing major cities; they have come from what I describe—I do not do so in a disparaging way because I include my own town of Blackpool—as second-level towns and cities. Those towns and cities are just as key to economic development and renewal as big cities and rural areas. Many second-level towns and cities are also seaside and coastal towns.

The Sea Change programme was and continues to be delivered through the Department for Culture, Media and Sport. I had a modest role in encouraging the programme when it was set up under the previous Government. It has helped to boost the economic development of a number of historic coastal towns and cities. A series of grants in excess of £38 million have helped to fund regeneration projects in some 32 resorts. In passing, I would like to mention the town of Blackpool in my constituency. Under that funding, Blackpool tower will benefit from a tower headland—a major new space stretching out into the Irish sea. It will be themed according to the rich history of variety in Blackpool, with a so-called comedy carpet and all sorts of pyrotechnic wonders.

It is not just seaside towns that have benefited from the programme. Coastal towns have also benefited. For example, Dover received £4 million, which allowed the restoration and enhancement of the great tower, which has resulted in a surge in visitor numbers. The remainder of the money is helping with Dover's ambitious regeneration plans, including a sea-front development and a cable car project linking the town centre to the castle.

It is not just seaside towns that have an historic aspect to them; historic cities that attract large numbers of tourists are also important. Norwich is good example, as a private charitable trust has been set up to help develop 12 iconic buildings into an integrated group of heritage attractions. The overarching framework means that Norwich's unique assessment of its heritage buildings can function as a catalyst for wider economic regeneration across the area.

The work of non-governmental organisations, such as the Heritage Lottery Fund, must be recognised as helping to develop many of our historic towns and cities. For example, the Townscape Heritage initiative provided £7.5 million of funding, which was matched by the same amount from the European regional development fund, to help redevelop the Ropewalks area of Liverpool. The scheme has also provided money for projects in my constituency of Blackpool, including the revitalisation of St John's square.

English Heritage has been mentioned in the debate by hon. Members—although not always with approval for what it has done. Nevertheless, it has done some very good things, particularly in the north-west. The hon. Member for Lancaster and Fleetwood might wish to discuss that at another time and place. In particular, in Blackpool it helped to alert us all to the importance of a major regeneration of the winter gardens and the tower, which was a catalyst for the £40 million package of support that was put together earlier this year and which has enabled Blackpool council to take control and offer direction, along with Merlin Entertainments, in those areas. I pay tribute to all those involved, because it provides a strong business case for us in Blackpool. I could cite many other examples, such as the restoration of the traditional covered market in Stockport, the town I grew up in, which has brought an important part of the town centre back to life.

The balance to be struck between conservation and development and regeneration is a subtle one, and it requires the input of statutory bodies, regional and European funding, heritage bodies such as the National Trust and English Heritage and, often, the initiatives of locally based heritage and environmental development groups. How, then, can heritage create the sort of economic activity to which my hon. Friend the Member for York Central referred? English Heritage's report, "Heritage Counts 2010", which was published last week, demonstrates in part how that works. New research, commissioned by English Heritage and the National Trust, has looked at the economic impact of investments totalling £23 million at five heritage tourist attractions across the country. Interestingly, half of all jobs generated by such attractions were in the wider community, in local bars, restaurants, hotels and shops. In fact, it was found that every pound invested generated an additional £1.70 for the local economy.

Regional development agencies were mentioned in the debate, not always supportively, but as my hon. Friend said, they provided significant funds for the development of our historic towns and cities in recent years. The East of England Development Agency invested more than £86 million in areas such as Great Yarmouth, Lowestoft and Southend, and I have already referred to the key role of the RDA in regeneration in Blackpool. Incidentally, Blackpool is also on the list for a world heritage bid, and English Heritage has been playing a key role in that.

The Opposition are concerned about the impact that the abolition of the RDAs might have on the future economic development of historic towns and cities, given the strong role that they have played in the past 10 years. The regional growth fund, which will total only £1 billion over two years, is not a substitute for the budgets that RDAs had for leading regeneration projects in many of our historic towns and cities. As Members will know, some of the funding we are talking about was dependent on match funding from the European regional development fund. That has been put on ice until the status and role of the new local enterprise partnerships are decided. There are real concerns that if that is not done quickly the money will go out the window. I know that that is not the Minister's direct

[Mr Gordon Marsden]

responsibility, but I ask him to urge his colleagues in the Departments for Business, Innovation and Skills and for Communities and Local Government to come to some conclusion on that matter as quickly as possible.

Governments must recognise that there should be no doctrinaire approach on public and private initiatives in that area, and that cuts both ways. I cite the famous words of Deng Xiaoping, who is not necessarily the greatest advocate for regenerating democracy, but who did lay the foundations of China's economic success in the 1980s. He is supposed to have said, "It does not matter whether the cat is black or white, so long as it catches mice." My assertion is that the cat has caught a significant number of mice over recent years, largely because public, private and local groups have worked together.

Transport is of key importance in balancing conservation and development. I ask the Minister gently, where is the strategy for including transport planning in any successor bodies to the RDAs, particularly local enterprise partnerships? We have seen the development of light rail and tram systems in many of our historic towns and cities; Manchester is a particularly good example of where that has enabled the local council to free up, develop and sustain tight historic areas, such as those around the canal and the village, and to link up with towns and areas outside.

The Government are abolishing the Government office network, which will inevitably remove a key repository of knowledge and, to some extent, a co-ordinating body. Will big infrastructure projects, which could be catalysts for economic growth in historic towns and cities, get the same level of support and co-ordination from civil servants based in Whitehall? That is an important matter in areas where the travel-to-work area is larger than the area of the local authority that controls an historic town or city.

In conclusion, although it was inevitable that public sector-led projects for boosting the economic development of our historic places would be squeezed in difficult times, some of the proposed changes and the way in which the Government are pushing ahead with them could make it harder for major projects to get off the ground. Many of the projects that I and other Members have mentioned today have been multi-agency and have needed considerable co-ordination between national and local statutory organisations and third sector and local groups. I urge the Government merely to recognise that as they develop their policies, because the successes in historic renewal and economic regeneration that we have heard about today must not be stymied by that process.

12.16 pm

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): The pleasure in serving under your chairmanship, Mr Hollobone, is matched by the pleasure of facing the hon. Member for Blackpool South (Mr Marsden) for the first time in his new Opposition role. We are old friends, and I am delighted that he has been able to contribute to the debate. I am conscious that I am here with an enormous task; I gather from the debate so far that I must draw together Government policies on cities, towns, growth, planning, historic buildings, transport, Anglo-Saxon, Norman and Roman history, tourism, Victorian architecture, prisons and nursery rhymes. Ever mindful of the fate of the three blind mice, Humpty Dumpty and the cat in the well, here is my best shot.

My hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw) has done the House a service in securing the debate. He made a powerful case for the balance, as the hon. Member for York Central (Hugh Bayley) put it, between the historic character of his constituency and the need for change, a point to which I will return later. He is right that economic development is of central importance in ensuring the future well-being of our historic towns and cities across the country, including those in his fine constituency.

The coalition Government inherited a record public sector deficit—you would expect me to say that the day before the comprehensive spending review, Mr Hollobone, but it is relevant to the debate because, as well as being about history, the debate is about economic growth, regeneration and the opportunities that come from investment in the towns and cities that have been so well represented by those who have spoken in the debate.

The hon. Member for York Central, an old friend and sparring partner, spoke with typical eloquence and passion about York. I know what a dedicated servant of that great city he is, and he will know that I holidayed there recently and so can give testament to all that he says about the balance between a modern, thriving York, and its rich architectural and other history. He was right to say that heritage generates employment. The hon. Member for Colchester (Bob Russell), whom I shall ever after think of as twinkling like a diamond in the Essex sky, made a strong case for both the history and modern profile of his town, which I also know well. Like York, it is a diverse place with a rich history, but one with modern challenges, and he articulated them today, as he always does, with commitment.

Chester is another city that I know well. My hon. Friend the Member for City of Chester (Stephen Mosley) spoke about holistically integrating the needs of local businesses, infrastructure requirements for transport and issues around planning. He spoke about the threat of out-of-town development, and I shall try to cover that in the brief time that I have to contribute to the debate.

In essence, my hon. Friend showed a humility in recognising that Chester can do more, be better and learn from other examples. Sometimes in drawing together the outcomes of these debates, what we can glean from them is as much about sharing good practice drawn from our constituency experience as anything that the Minister or shadow Minister can say, and my hon. Friend did a service to the House in that regard.

My hon. Friend the Member for Bury St Edmunds (Mr Ruffley), whom I am delighted to see—I have welcomed him twice, now in Westminster Hall and previously on the Floor of the House—also made a point about holistic development. I was interested particularly in what he said about Sir Michael Hopkins's mixed development, which combines residential provision, retail business and transport. The assumption that those things should be separated has done immense damage to many of our towns and cities, for the idea that one can compartmentalise those requirements is unhelpful.

His example was of the opposite, of how those things can be drawn together in a development which delivers aesthetically as well as in terms of its utility. Again, I shall say more about that.

The hon. Member for Blackpool South spoke of the need for co-ordination. He is right to say that the Government should play a role, but sometimes the Government need to step back as well as forward. This is about getting the Government off people's backs and on their side. It is about understanding that what the Government do matters, but that what we do not do matters, too; about the balance between local action and Government intervention, and understanding the advantages of the discretion which should and could be exercised by local people and the diversity that springs from that; and about the need to ensure that where co-ordination is required, where some overarching view is needed to pull together transport investment or direct economic activity, the Government should play a part. All this is at the heart of this debate. Let me try in the time I have available to outline how we think that can work.

I mentioned that the CSR will come to its exciting culmination tomorrow. Essential to developing our town and cities and to promoting economic growth is economic well-being. The Chancellor will set out in the spending review detailed policy proposals to promote economic development and spread economic opportunity.

The Secretary of State for Business, Innovation and Skills has made it clear that we believe that functions such as inward investment, sector leadership, innovation, responsibility for business support and access to finance are best led nationally, but that much is best decided locally: for example, planning and housing policies, creating the right local environment for business to grow, and tackling issues such as employment and enterprise.

Mr Marsden: I am grateful to the Minister for giving way—I know that he does not have a great deal of time. He and others spoke about transport. Is he able to confirm that it remains the view of Ministers in his Department that, in some cases, transport needs infrastructure planning over and above sub-regional planning?

Mr Hayes: It is true that the Government need to set national priorities for transport infrastructure, but if those priorities are set outside the assumptions and wishes of local communities at sub-regional or local level, they will be frustrated. They will be unpopular at best, and undeliverable at worst, so getting a better balance between local wishes, sensitivities and understanding of economic need, and Government priorities, is at the heart of what we hope to do.

Bob Russell: Will the Minister give way?

Mr Hayes: I will do so briefly, but I want to have time to make more points of substance.

Bob Russell: Of course localism is crucial, but does the Minister agree that if a local council has responsibility for buildings or structures that are, in effect, of national or international significance, there has to be financial support from the centre? It cannot be left to the local authority to pick up the bill.

Mr Hayes: Yes, that is a fair point. Where there are, for example, buildings of national significance, it is right that we take a bigger view about the contribution that they make to their locality, but also to what we are as a people. In those cases, there must be an overarching view. Indeed, the hon. Member for York Central made it clear that the Government's approach to English Heritage reflects exactly that view.

Let me briefly describe how I think the marriage of local decision making and national priorities can be made. The approach that we seek is one that distinguishes between strategic national needs and local economic priorities. A distinction must be made between what is best determined at national level—for example, innovation and sector leadership—and specifically local issues such as transport, planning and housing, notwithstanding the point that I made in response to the hon. Member for Blackpool South. We will publish a White Paper on sub-national economic growth outlining the way forward in those terms.

Our approach is that we can promote growth by freeing enterprise and innovation, and that it is vital to do so. Business confidence depends on sound finances and a Government who are there when they are needed, and who offer support that does not get in the way. Our growth White Paper will set out a new relationship between business and the state.

Our approach will empower local civic and business leaders to determine how to enable their community to create wealth and jobs. If we want to build a bigger, better society, we must bring forward and make real new forms of community engagement. In the strategy that we are putting together, the tension—I believe that was how it was described by one speaker—between the local and the national must be embraced, as must the marriage between the strategic and the tactical. We must find a happy solution to that and I am not sure that that has always happened in the past. I do not want to be excessively party political—this debate is not about that—but I am not sure that previous Governments got that marriage right.

That was well illustrated by some of the points that were made about what was described as the tension between the old and the new. I do not think it is necessary to have tension between the old and the new. It is only through a symbiotic relationship between the two that we can accommodate the familiar touchstones of enduring certainty which make all that is disturbing and surprising in life tolerable, and the constant need for change. The hon. Member for Blackpool South quoted Deng Xiaoping, but I prefer to quote Disraeli, who said:

> "Change is inevitable. Change is constant."

However, change is dependent on seeding an acceptance of it in people's hearts, and, to some degree at least, that is about local decision making, and local people taking ownership of change.

Governments have been insensitive to that symbiosis. It is true that York, Chester, Colchester and Bury St Edmunds are fine places, but much damage has been done at street level—at human level—in many towns.

[Mr Hayes]

As well as the scars of much of the building that has emerged since the war, there is also the pain of what has gone. I am sure that that has happened because of an insensitivity to beauty; the triumph of soulless utility over all that elevates and provides our sense of pride and purpose.

The issues that were listed at the beginning of this debate are too numerous for me to cover in detail, but if I had the time, I would be delighted to do so, Mr Hollobone, as you know. In drawing them together, we must take a view about what we see—the buildings, townscapes and landscapes; what we feel—the values and ideas that permeate the towns and cities that we have heard about today and the whole of the nation; and what we do—what workplaces look like, and how our communities are shaped. What we see, feel and do add up to what we are as individuals, as communities, as a people and as a nation.

I am grateful for the opportunity in this all too brief time to congratulate again my hon. Friend the Member for Lancaster and Fleetwood, and to thank all those who contributed and also you, Mr Hollobone, for it is always a pleasure to serve under your chairmanship.

Mr Philip Hollobone (in the Chair): Order. I thank all those who attended the debate, and ask them to leave quickly and quietly. We must go on to the next debate.

Child Trust Fund (Looked-after Children)

12.30 pm

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I refer hon. Members to the Register of Members' Financial Interests, which notes that I donate 50% of my Scottish Parliament salary to the charity, Who Cares? Scotland, to which I shall refer.

The abolition of child trust funds was announced earlier this year and will have far-reaching effects. We are all aware that they were set up in 2002 by the Labour Government, and that additional payments for looked-after children were introduced in 2008. That was welcomed at the time by a significant number of children's groups as a positive step in what had hitherto been a fairly neglected area of social policy.

Like others, I have concerns about the wider proposal to end child trust funds, but I want to focus today on its impact on looked-after children. The matter seems to have stayed below the radar because, sadly, the needs of young people in care are often not high on the political agenda, despite the best efforts of organisations such as the Who Cares Trust and Who Cares? Scotland, which represent the views and needs of young people who are looked after and accommodated.

Under the scheme, the UK Government provide £100 a year to put into a child trust fund for every child who is looked after away from home, including those who are in foster care, residential care and kinship care. Some of those young people have spent all or the majority of their life in care, and the money is paid when they have spent part of a year in the care system. The amount of money is not a lot per child, but it helps young people to build up a personal fund that will become available when they move on from care to post-school education or employment training. Its purpose is to help young people move on to independent living. It also offers useful educational opportunities for learning how to manage money, and the discipline of developing a saving habit. That is important.

Research on young people in the care system shows that access even to a modest level of savings at the age of 18 makes a real difference to the decisions that young people can make about their future, as well as encouraging investment. Many of the things that we take for granted and that have been put in place for us and that we put in place for our children are simply not there for young people who are brought up in the care system. We must also remember that young people in care often move on to an independent lifestyle much earlier than other young people. They are often expected to take on the tenancy of their own home, and to manage a household budget when they are entering further or higher education, or the world of work. That is a time when, as those of us who are parents or have had teenagers know, young people are vulnerable. Young people in the care system are expected to make adult decisions and to move quickly into the adult world.

As corporate parents, the Government at any level have responsibility for children in care. The purpose of the child trust fund scheme, especially for looked-after children, was to help to improve outcomes for those children, and we should find a way of continuing it. Sadly, it is being abandoned just as we have begun to unearth more efficient ways of operating it.

The concept of asset building for young people in the care system is not well developed. Having access to individual asset accounts can make an important contribution to the well-being of children in care by providing a sense of security and encouraging planning for the future. It can help the local authorities that are looking after children to work with them to strengthen their saving habit, and to ensure that they have something for their future needs. It would also send positive messages to parents of looked-after children about the need to become involved in the process of saving for their children's future, and encourage them, when possible, to take on some responsibility for supporting their children.

I realise that the Minister is not responsible for the actions of the Scottish Government, but I want to place on record my belief that the Scottish Government and Scottish local authorities should also give more consideration to future financial planning for looked-after children. That would be entirely consistent with the recommendations of the 2009 national residential child care review for developing corporate parent responsibilities. Again, those recommendations attracted widespread support.

The Minister should take an interest in the funding that was provided to the Scottish Government specifically to benefit looked-after children but did not go to those children. Back in July, in response to a series of questions in the Scottish Parliament, it was revealed that the Scottish Government had no idea whether looked-after children had received the payments. That was incredibly disappointing and worrying. Under pressure following those revelations, most Scottish local authorities have now ensured that the payments have been made, but it was worrying that the Scottish Government had not been monitoring the payments, so not only did they not know what was happening to the money but they were unlikely to be able to assess any outcomes of what that money had gone towards. Will the Minister tell us what evidence the Treasury has of the outcomes of that initiative throughout the UK, and how it was taken into account before the decision to scrap child trust fund payments?

The Conservatives' commitment before the election was to end Government payments to child trust funds, except for children in the poorest third of families and children with disabilities. Many young people who are looked after and accommodated will fall into those categories because of the difficulties in their background. When the Bill that introduced child trust funds was going through Parliament, the right hon. Member for Tatton (Mr Osborne), who is now Chancellor of the Exchequer, said that

"we greatly support the principle that the Bill is designed to promote...We think that having savings...gives people a stake in society, gives them independence, encourages self-reliance and bolsters the freedom of the individual against the overbearing state."—[*Official Report*, 15 December 2003; Vol. 415, c. 1345.]

Apart from the remark about the overbearing state, that was one of the few occasions on which I agreed with the now Chancellor.

As recently as September, Phillip Blond—the same Phillip Blond who has emerged as one of the Prime Minister's policy gurus—in his role as director of ResPublica launched a report entitled "Asset Building for Children—Creating a new civic savings platform for young people". It called on the Government to tackle social mobility by adopting a savings policy that builds assets for all children's futures. The key recommendations included a new type of asset building for children—an ABC account—based on retaining the infrastructure of the child trust fund that the new Government scrapped; a reward scheme to encourage saving with money off, for example, leisure facilities; new private sector incentives offered by banks and savings providers; and a financial capability programme with the voluntary sector to improve financial literacy. All those suggestions would benefit young people who are looked after and accommodated.

The Save Child Savings Alliance—that is a bit of a mouthful—consists of academics, charities, think-tanks and members of the financial industry. It welcomed the report, and the recommendation

"to maintain, extend and improve the infrastructure of the Child Trust Fund"

as part of any asset-building agenda to boost savings. It argued that the child trust fund was one of the most successful saving schemes ever, and that the framework could be retained for a small administrative cost. The alliance acknowledged that even if the Government were unable to make contributions to the scheme in the current economic climate, keeping the structure in place would at least ensure that all newborn children have a chance of having a savings account opened for them at birth that would improve the life chances of future generations.

Julian Le Grand, founder member of the Save Child Savings Alliance and professor of social policy at the London School of Economics said:

"When it comes to social mobility, a lump sum asset is a lot more powerful than income in unlocking opportunities for youngsters as they enter adulthood. This is particularly vital for less well-off families to help give their children the best start to their adult lives. We must not allow what has been a successful start in fostering a savings culture for all to fall away from the most vulnerable in society."

Those comments were echoed by Dr Katherine Rake, the chief executive of the Family and Parenting Institute, who said:

"The last two years of economic strife have reminded British society of the importance of personal savings. It's imperative that we help ordinary families put money away for a child's future. The Child Trust Fund offers a proven structure for this."

Of course, many looked-after children do not have that family support.

David White, chief executive of the Children's Mutual, said:

"The Child Trust Fund ensured that every single newborn child in the UK had a savings account opened for them which they, and only they, could access at the age of 18. With ever increasing day-to-day demands on family savings and reports that university students face debts of £25,000 on graduation, it is critical that we explore ways to protect savings for our children. Whatever their background, the next generation should not be forced to start adulthood saddled with debt or as a dependent drain on their parents."

Again, many looked after children do not have that parental background to provide support. The arguments are particularly valid and resonant for those in local authority care.

According to figures from HM Treasury, on 5 April 2009, the total number of children in local authority care for whom a child trust fund had been opened was 33,158. Figures from the Department for Education

[Cathy Jamieson]

reveal that the cost of the £100 top-up for looked-after children paid to local authorities in England and in the devolved Assemblies was £1,039,833 in 2008-09, and £1,502,786 in 2009-10. That is a relatively small amount of money per young person, but it has the potential to make a big difference. If asset building and financial education for the next generation are to be tackled, in light of current personal debt levels, I believe that that would be money well spent.

I appreciate that policy decisions can often have unintended consequences, and it is the mark of a compassionate and caring Government that they can admit when things are wrong and take steps to correct errors. My preference would be for the Government to revisit the whole policy on child trust funds and keep the scheme intact. I realise, however, that that plea may fall on stony ground.

For a relatively small amount of Government investment, the child trust fund system could be maintained for our most vulnerable children, who are surely those who are looked after and accommodated. Young people in care often feel isolated with little control over their lives. They feel that few people speak out on their behalf and that no one listens to them. I am speaking out on their behalf today, and I hope that the Government will not only listen, but act to ensure that the term "looked after" actually means something for those young people.

12.44 pm

The Economic Secretary to the Treasury (Justine Greening): It is a pleasure to serve under your chairmanship for the first time, Mr Hollobone, and it is nice to see you in your place today. I start by congratulating the hon. Member for Kilmarnock and Loudoun (Cathy Jamieson) on securing this debate. As she points out, it is an important topic. She is right to say that perhaps more than many other communities in our country, looked-after children need people who will stand up and speak on their behalf about some of the challenges that they and their families face.

The context for today's debate is unfortunate—it is the day before tomorrow's spending review. I suppose that that is either good or bad, depending on how one looks at it. I will respond to the hon. Lady in detail, and I will also try to address the important questions that she has raised. In the time available, I will set out the overall context of the changes and explain why they are taking place. I will go on to talk in more detail about the specific issues that she raised regarding looked-after children. The devolved Assemblies are an added aspect. As the hon. Lady said, responsibility for the delivery of services and support for looked-after children lies with the Scottish Government.

I agree that looked-after children face greater challenges than other children, and that they need and deserve greater support. In England, we are looking at ways to improve that support, alongside other measures taken in the spending review. I understand the hon. Lady's disappointment at the changes that we have to make to the child trust fund. Unfortunately, those changes are necessary. This week in particular, with the spending review happening tomorrow, hon. Members will be aware of the unprecedented budget deficit that the Government inherited. That is not a position that we wanted to be in, but it is a grave situation.

At the moment, we currently borrow £1 of every £4 that we spend. The hon. Lady mentioned financial literacy, and that is a broader issue that we as the UK Government are trying to tackle for our country as a whole. Because of the problems that we face with the deficit, our level of debt and the interest that we have to pay, the amount left for public service support is being squeezed. It is simply not affordable to spend over £0.5 billion a year on the child trust fund. The children concerned cannot use that money for 18 years, and we cannot afford to spend it when we have limited resources that are under pressure to provide support and services for people now, including looked-after children. As I said, I will come on to the more specific issues, but it is important to drill down into the wider context for those who may read the debate later.

As the hon. Lady knows, we have already reduced Government payments into child trust funds, and we have introduced a Bill to end eligibility to child trust funds for children born from next January onwards. In other words, most women who were pregnant when we made our initial announcement will have access to the child trust fund; the Bill will affect children born from next January onwards.

I confirm that the top-up payments to the child trust funds of looked-after children will stop. Those changes will save £320 million this year, and over £500 million a year in the future. That is £0.5 billion that we do not have to find through spending cuts—perhaps in important areas such as education or children's social services—increasing taxes further, or borrowing, which would mean that our deficit was higher and that even more taxpayers' money was going to fund debt interest instead of public services.

We are talking about a legacy. The hon. Lady rightly made the point about looking ahead, but we are concerned about the legacy that all children will inherit if we do not tackle the debt that we face now and the deficit; the country's level of debt would be eye watering, even compared with today. During this Parliament, spending on our debt interest could rise from £43 billion—a huge figure compared with what we spend on transport, prisons or justice, for example—to £60 billion. That is a rise of £17 billion over the next few years and shows what a challenge we face. We must try to work together to balance our priorities. If we do not address the debt, it will only increase further and put even more pressure on the vital public services that we want to support.

Cathy Jamieson: I appreciate that the Minister is trying to be helpful and I look forward to what she has to say, particularly on support for looked-after children, but could she answer the question that I raised? What assessment was made of the effectiveness of the outcomes of the child trust fund for looked-after children before it was decided to scrap this particular scheme?

Justine Greening: The hon. Lady will be aware that a key aspect of the emergency Budget was to examine the distributional analysis of how people would be affected, but also to consider key issues in relation to children, such as child poverty. We were very careful to consider those issues. Indeed, given the problem that we were having to start to solve, the fact that we were able to

introduce an emergency Budget that still managed to see child poverty not rising is a measure not only, we hope, of its effectiveness, but of our desire as a Government to see that whole issue as important. We are trying to balance protecting things today with, as the hon. Lady points out, the need to look more long term.

I can reassure the hon. Lady that my hon. Friend the Financial Secretary to the Treasury is examining ways in which we can encourage saving and children's saving. We recognise that that is an issue and my hon. Friend is considering it. He is very interested on a personal level, and has been for many years, in how we can improve financial literacy—the other key issue that the hon. Lady raised—and ensure that people take good decisions.

The hon. Lady said that the Scottish Government had not always ensured that money got to where it was meant to go. She is right to raise that as a concern. In England and in Scotland, local authorities have a statutory obligation to report to Her Majesty's Revenue and Customs all children who come into their care who are of child trust fund age, precisely so that HMRC can ensure that all children who were due to get a child trust fund got an account and received the payments to which they were entitled at birth and at age seven. In fact, they are meant to report monthly to HMRC so that that can be followed up. There are very clear guidelines from the Department for Education requiring local authorities to make those payments, so the hon. Lady is right to raise her concerns in relation to the Scottish Government. I shall take this opportunity to say to her what she has probably already said to the Scottish Government. As a devolved Administration, they, too, can take decisions about whether they want to see this area as a priority for children in Scotland and for looked-after children—the group about which the hon. Lady is particularly concerned.

The hon. Lady talked about keeping the top-ups for looked-after children in place, despite the difficult decisions that we are having to take about child trust funds. We examined some of the challenges in relation to doing that. We recognise that looked-after children need to have additional support, and certainly in England we will be looking at how we can ensure that that happens. Ultimately, however, we just did not believe that continuing to pay the £100 top-ups to looked-after children would be the most effective way of providing that support, given the broader pressures that we faced in relation to public services and ensuring that we tackled the deficit. That is why we took the difficult decision that the top-ups would be stopped in due course.

One issue that we examined was that when local authorities make those £100 payments, it costs them £122. Part of the challenge that we face now is that that extra £22 spent on administration would be much better put into front-line services. When we considered that, it just did not make sense to continue those £100 payments, especially given the impact that that would have had on the broader budget and the fact that the £100 payments would be locked away until the children reached 18. They were not going to get the benefit from them for many years, and our concern was that we want them to reach that age in a country that is not paying hand over fist for debt interest and that does have money to pump into public services in a sustainable way. That was not the situation that we found ourselves in when we came into office.

Cathy Jamieson: I absolutely understand the issue about value for money and ensuring efficiency. It certainly does not seem to make sense that it costs £122 to make a payment of £100. However, does the Minister agree that looked-after children do not have a parent putting money aside for the future or putting money literally in trust for the future, as we would all do for our kids, so that when they get to the age of 18, they have some money, however small the amount, and that someone has to take responsibility for that? In those circumstances, is there anything that she can say today about ensuring that young people, when they leave care at the age of 18 to go into further or higher education or into the world of work, will have some money behind them to allow them to move on into adult life?

Justine Greening: I talked briefly about the fact that we recognise that financial literacy and encouraging saving for children are important. She knows that we have a broader problem with saving in Britain. The savings ratio had really fallen. It was not just the Government who had unsustainable finances; many households did as well. As I said, we are considering how we can nevertheless encourage saving and encourage children to save. Obviously, we have to work within the constraints of the public finances, but that work will explore the idea of allowing parents potentially to open a tax-free account for children born after child trust fund eligibility ends. I am sure that, as part of that, we would look at the group of looked-after children, in the same way that they were part of the child trust fund scheme. For most children in Britain, the account was triggered and opened by the parents, but for looked-after children, it was the local authority that took that approach.

Any such account would not have Government contributions going into it, but potentially could have some of the other features of child trust funds. Clearly, however, if we go down that road, we need to consider the design of any account carefully. It is clear that it would not be exactly the same as the child trust fund. However, I can reassure the hon. Lady that we are trying to find our way through the problems that we face today, which are grave and must be tackled, while at the same time ensuring that on these important issues, for the longer term, we still do what we can to support these children and address the issues.

Time is moving on. I shall try to ensure that I have covered the other issues that the hon. Lady raised. She talks about social mobility and she is absolutely right. I passionately believe in social mobility. She is right to talk about ensuring that we support looked-after children and that particularly when they leave care and face all the challenges that she referred to, they get support. Certainly in England, we are very keen to consider the overall package of support for these children, and I know that my colleagues in the Department for Education are doing that.

I am certain, given the hon. Lady's clear interest in the issue, that she will follow it up in the Scottish Parliament. Indeed, she has a long track record not just

[Justine Greening]

of expressing an interest, but of being involved in direct policy making in this area. It is great that that experience has been brought into the UK Parliament.

I can see time ticking on. To conclude, I again congratulate the hon. Lady on securing the debate and on her eloquent and passionate description of the needs of looked-after children. As I have explained, I agree that these children, alongside other disadvantaged children, need more support than many children. Only last week, the Deputy Prime Minister was talking about the fairness premium to ensure that we can target and help those children growing up who perhaps need the most support to make sure that they can get the opportunities that many children in this country have, but too many do not.

We are passionate about tackling disadvantage, including for looked-after children, and we want to provide that support, but as a Government—a coalition Government—we just do not think that the child trust fund is the best way to do that. Those children, including looked-after children, need support now, rather than having it locked away until they are 18. It would not have been the best use of our limited money, either for looked-after children or for others—

Mr Philip Hollobone (in the Chair): Order. I thank both hon. Ladies for taking part in the debate. We now move on to the next debate.

School Funding (Wyre Forest)

1 pm

Mark Garnier (Wyre Forest) (Con): I thank the Minister for coming along this afternoon to listen to what I believe is a very special case for Wyre Forest: its school building programme.

I am very pleased to have secured this debate, as it gives me an excellent opportunity to put on record the case for the funding of school building in Wyre Forest. However, before I get to the main thrust of my argument, I want also to put on record how incredibly grateful I am to Lord Hill, the Under-Secretary of State for Education with responsibility for the Building Schools for the Future programme, who agreed to meet last week with seven of my local school heads, the chief executive of Worcestershire county council and the officer in charge of the council's estates. It was an incredibly helpful meeting and, I believe, very constructive, and I hope that it bears dividends.

To underscore the argument, it would help if I gave the history behind what is going on in Wyre Forest. Wyre Forest is—or was—part of the wave 6a tranche of the Building Schools for the Future programme. As a result of the cancellation of some 700 BSF projects across the country, Wyre Forest has now lost the rebuild or partial rebuild of five secondary schools. I am certainly not here to argue in favour of the BSF programme. My constituents, particularly those who have had a lot to do with the programme, think that BSF was an overly bureaucratic and unnecessarily expensive way to deliver what is otherwise a very good outcome: new schools fit for the 21st century. Indeed, Worcestershire county council was encouraged by the previous Government to spend about £3 million on the programme, on what have amounted to largely unnecessarily bureaucratic measures. However, in Wyre Forest we are just part way through a major schools reorganisation, and the implications of the BSF cancellation are widespread. It is not just that five schools have had their rebuilds cancelled; as a direct result of the decision by my right hon. Friend the Secretary of State for Education, a total of 11 schools in Wyre Forest face an uncertain future regarding their accommodation, and a special school has failed to take advantage of a unique opportunity.

About 10 years ago, Worcestershire county council was instructed by the Department for Education to look into a number of local education issues that were causing concern. In very simple terms, there were three key issues: failing standards and lower-than-average pupil retention into the sixth form; a very small surplus of accommodation; and Wyre Forest's adoption of a three-tier system of education as opposed to the two-tier one, which was, I believe, used in more than 90% of the country at the time. The county council undertook not one but two consultations among parents, pupils and staff across the whole district, and in April 2005 the county council cabinet took the bold decision to implement what is now widely known as the Wyre Forest schools review. That incredibly bold decision introduced the biggest school changes ever undertaken in this country, and culminated in moving 45 three-tier schools into just 30 two-tier ones.

In August 2007, all 45 first, middle and high schools were closed, and just 30 primary and secondary schools were opened in September. All middle schools and a

handful of primary schools were closed for ever. It is important to underscore the enormity of that undertaking. Every child, parent and teacher, as well as all the support staff, were involved in this colossal local change. A third of the education estate in Wyre Forest was closed, never to be reopened. Every member of staff had to reapply for their job, many children were moved from one school to another, and parents had to adapt to changes that they were not expecting. Importantly, accommodation became very cramped across the whole Wyre Forest school system. But my constituents, in a manner that I am finding is typical of them, knuckled down as a group to deal with the disruption, and teachers and other staff made huge efforts to ensure that standards were kept as high as possible and that no child was at any time disadvantaged by the process of change. The past five years have been very traumatic in Wyre Forest, but the light at the end of the tunnel has always been that in the end the district would have education facilities fit for the 21st century—until, of course, my right hon. Friend the Secretary of State for Education made his decision to cancel BSF in Wyre Forest.

The knock-on effect of the BSF cancellation has been immense. As I have mentioned, five secondary schools have been cancelled. As I have said, I am not here to argue for BSF, but the vision for the district was far greater. Because of the building programme, the county council made what I believe was a wise decision—that economies of scale could be introduced. Accordingly, three of the secondary schools were to have primary schools located on their sites. Stourport high school, a school rated as excellent, was to have Burlish Park primary school built on its single site. Stourport was built for about 900 pupils, but now accommodates about 1,400 on a split site, with significant numbers of pupils in temporary classrooms. I shall refer to Burlish Park primary school a little later, because it is important in its own right.

Kidderminster's King Charles I school now has 1,300 pupils on two sites that are 10 minutes apart and separated by a main road. There are 880 pupils on one site and 420 on the other. Only recently, a child was involved in a road accident there, but I am happy to say that it was not serious. King Charles I was to have a complete rebuild, and was to accommodate Comberton primary school on its new single site. Comberton was built as a one-form entry school, but is now struggling as one-and-a-half-form entry and is being asked to become two-form entry this year, accommodating half its pupils in temporary classrooms.

The most visionary development was to have been the learning village at Baxter college. There was to have been a major rebuild, alongside St John's primary school, of the 70-year-old building, which accommodates just under 1,100 pupils.

Justin Tomlinson (North Swindon) (Con): I congratulate my hon. Friend on securing this excellent debate. I attended St John's first school and middle school, and Baxter college, so I know first hand the importance of delivering improvements and investing in schools. I would, however, politely request that, should my hon. Friend secure any investment, he insist that Baxter college revert to its original name of Harry Cheshire high school.

Mark Garnier: I am very grateful for that intervention. My hon. Friend is an example of just how good the education system in Wyre Forest can be: he has come from Kidderminster to Westminster and has done very well as a newly elected Member of Parliament. He raises a very interesting point. The school was initially endowed by Harry Cheshire, a local philanthropist, and due to changes over the past few years it is now called Baxter college. I shall certainly take up that issue with the headmaster; I know that my hon. Friend is very keen on this campaign.

The idea was to have a learning village that contained not just Baxter college and St John's primary, but Wyre Forest special school. That school would have accommodated, on the same site, the unusually large number of special needs children that, for historic reasons, we have in Wyre Forest, alongside regular pupils.

The three linked proposals that I have described demonstrate an economy of scale that I hope the Minister would welcome, but the vision of the Baxter learning village not only encompasses value for money, but just as significantly teaches the importance of inclusion to all pupils on the site. The special needs school must go ahead irrespective of BSF or any other building programmes for the more regular schools in Wyre Forest, and the county council has therefore had to divert funds to that important resource. That has had knock-on effects elsewhere in the Wyre Forest school building programme. The council has found money from its own resources to build a number of schools, but has had to cancel the rebuild of a further three primary schools: Franche primary school is suffering a split site and the significant dilapidation of its estate; St Oswald's has manageable problems but is facing a bulge in entry and desperately needs two new classrooms; and Cookley primary is in a class of its own.

I would like to talk about Burlish Park and Cookley primary schools together. These two schools, for me, epitomise all that is good and all that is bad about the primary schools in Wyre Forest. That we are asking teachers and staff to work in these conditions is appalling. That they are doing so, and doing as good a job as they can, is a testament to the incredible dedication of the teaching staff whom I have met both at these and at other schools across Wyre Forest. The two schools highlight the appalling problems that we face locally.

Burlish Park was built as a first school, but it is now taking children from nursery to year 6. Some 470 children have to take lunch in not one, or two, but three sittings. There is nowhere to accommodate children on wet playtimes. Classes are taken in a corridor alongside gym and dance lessons. The school's pupils cannot congregate together in one go. The staff room is too small to accommodate even a small proportion of the staff, who have to prepare for lessons at home using their own IT equipment. Seventy female staff have just two lavatories between them. We always say that it is not buildings that teach, but teachers. However, if a teacher has to queue for 20 minutes to use the bathroom, that causes classes significant problems. When looking through the school's 20-page urgent maintenance schedule, the head teacher and I totted up more than £1 million of urgent maintenance work in just three or four pages. The school is derelict.

Cookley has similar problems. The school is based in a Victorian school block and so is arguably better built than the 1960s block at Burlish Park, but its accommodation

[Mark Garnier]

problems are just as bad. A series of classes in corridors and the building's antiquated layout meant that the school only just received a provisional pass from Ofsted. That was because the safeguarding provisions were far below standard, but Ofsted was prepared to pass the school because it was due for a rebuild. We can only assume that it will be very unhappy if the situation is not resolved.

These two schools illustrate how the good-will elastic band can be stretched only so far. Staff and parents have had their good will stretched just about as far as it will go. With the cancellation of the rebuilding programme, the light at the end of the tunnel has been extinguished, and that is unfair.

In Bewdley, the high school has had a partial rebuild, but there are dilapidation issues, as well as safeguarding issues where the school grounds back unguarded on to the fast-flowing River Severn. Wolverley high school has its own portakabin village, but these temporary classrooms are rotting and need replacing imminently.

The schools that I have described make up the 11 schools that have been hit by the BSF cancellation. However, Wyre Forest is even unluckier than that. The five secondary schools are part of a wider consortium of schools known as the ContinU Trust, a collegiate trust comprising Wyre Forest's five secondary schools, two secondary schools from Bromsgrove and Kidderminster college. At this point, I must declare an interest as I sit as a governor at Kidderminster college. Through the college, the trust was to have built a new learning centre on one of the redundant middle school sites, but the project was cancelled in the past 18 months or so as a result of the Learning and Skills Council funding fiasco, in which 144 colleges across the country lost their funding. That loss only adds to the accommodation problems in Wyre Forest.

I am here to plead Wyre Forest's case on two principal issues: capacity and dilapidation. Across Wyre Forest, 23%—nearly a quarter—of pupils are in temporary accommodation, and that rises to 50% in some of the schools that I have mentioned. Teachers do not have basic needs met to allow them to prepare for classes. They do not have sufficient IT provision or quiet work areas and resource rooms where they can gather their thoughts. They are not given sufficient space to be able to rest in staff rooms, where staff can outnumber available chairs by 10 to one. There are not enough bathroom facilities for female staff, although male staff seem to be doing very well, because there are fewer men, and there is at least one lavatory per man.

Pupils are taught in corridors in many schools. There is little or no storage space for equipment. Many pupils lack sufficient, safeguarded outside spaces. The wider estate is dilapidated. Given where Wyre Forest featured on the priority list—it was part of wave 6a of BSF—the school buildings have generally not been maintained. That was done on the instructions of the county council and, ultimately, the Department for Education, to save resources for the new rebuild. The dilapidation is quite acute, and the cost of carrying out essential maintenance work is immense.

The economies of scale in the building programme still to be carried out are a huge incentive to undertake all the remaining building works in quick succession and to use joint sites, as I described earlier. The plans put forward for Wyre Forest are exciting and incredibly well thought through. Failing to deliver at this late stage would be to lose an incredible opportunity for a comprehensive, district-wide schools building programme.

Officers at Worcestershire county council will work with civil servants at the Department for Education, and they will put a comprehensive and excellent case for Wyre Forest. As I said, I am incredibly grateful to Lord Hill for his meeting last week, but, in my closing words, I ask the Minster to reinforce the message that we are trying to deliver. There is acute dilapidation in the estate and a severe lack of space for staff and pupils. We want the opportunity to deliver excellent value for money through economies of scale by completing the work started almost a decade ago and delivering 21st-century schools for Wyre Forest.

1.14 pm

The Minister of State, Department for Education (Mr Nick Gibb): I congratulate my hon. Friend the Member for Wyre Forest (Mark Garnier) on securing this important debate. I thank him for his strong support for the coalition's education reforms and his kind words about Lord Hill. My hon. Friend is an exceptionally committed campaigner on behalf of his constituency's schools. As he has just proved in his speech, he is also a strong advocate of improving provision for all pupils, teachers and parents across the country.

As my hon. Friend knows, the coalition Government very much share that priority. That is why we have made it our mission from day one to make this country's education system among the very best in the world by restoring confidence in our qualifications and exam system and by ensuring that school prepares every pupil for success. That ambition is based on the simple but profoundly important principles of giving teachers and heads greater freedom, giving parents greater choice, providing higher standards for pupils and reducing the amount of red tape in the system.

As I hope my hon. Friend will agree, the coalition Government have already taken important steps to achieve those aims in their first few months. We have, for instance, expanded the academies programme so that all schools can enjoy the greater freedoms that academy status brings. We are looking at the national curriculum, with the intention of restoring it to its intended purpose of setting out a minimum core entitlement beyond which teachers can tailor their tuition to meet the particular needs of their pupils. We are also allowing parents, teachers and other groups to set up free schools so that each local area has a good mix of provision, feels the responsibility to raise standards in every school and offers parents real choice for their children.

As my hon. Friend argued so persuasively, school buildings, teaching staff and pupils are also important as part of the continuing investment in our school system. The coalition Government are absolutely committed to ensuring that that remains the case, but it is nevertheless critical that future spending in Wyre Forest, and indeed the rest of the country, represent the best possible value for money during these exceptionally difficult economic times.

Building Schools for the Future was, of course, an important programme for the previous Government, who aimed to rebuild or refurbish every one of our

3,500 secondary schools by 2023. That was undoubtedly a bold and impressive ambition, but unfortunately it failed to live up to the hype. During the five years of the BSF programme, just 265 schools benefited. The figure for schools that were completely rebuilt was just 146.

Where BSF has delivered, it has been at an exorbitant cost. As has been pointed out, rebuilding a school under BSF has turned out to be three times more expensive than constructing a commercial building and twice as expensive as building a school in Ireland. While the BSF budget grew from £45 billion to £55 billion, the time scale also grew, from 10 years to a projected 18 years.

Some of the reasons behind that additional cost and delay were understandable, but the fact remains that BSF had become a vast and confusing morass of process and cost upon cost by the time that it was ended, representing extremely poor value for money, as my hon. Friend acknowledged. Indeed, £60 million of the £250 million spent on BSF was frittered away on consultants and advisory costs before a brick was even laid.

Nobody comes into politics to cut funding, least of all a new Government who have inherited a school system that has desperately short-changed so many of its students, and particularly those from poorer communities. We recognise that these things can be extremely frustrating for areas close to the cut-off point for BSF, of which my hon. Friend's constituency was one. Five schools in his constituency have had to have their BSF programmes stopped, and that has understandably caused real dismay among students, teachers and parents. As my hon. Friend has said, things do not stop there; 11 schools in the area have been affected by the decision.

I am also aware that my hon. Friend has raised the issue of Wyre Forest Building Schools for the Future projects directly with the Department, pointing out the difficulty of operating primary and secondary schools in buildings that were designed for the three-tier system of first, middle and upper schools. He has been and remains a powerful and assiduous advocate of his constituency in the House. However, it is important to stress from the outset that every area in the country has been treated consistently and fairly, with no one authority or community singled out for cuts. In deciding which projects would be taken forward and which would end we developed a single set of criteria and applied it uniformly across the country. Those school projects that were part of their area's initial BSF schemes and which had reached financial close were allowed to continue, as were the sample projects that were part of their area's initial BSF schemes, where financial close had not been reached but where a preferred bidder had been appointed at the close of dialogue. Thirdly, a number of planned school projects, in addition to a local authority's initial scheme, were allowed to continue.

As we have heard today, the BSF projects in my hon. Friend's constituency were not, unfortunately, additional projects; nor had they appointed a preferred bidder, and therefore they had not reached financial close either. As none of the criteria applied, they could not go ahead, apart from the Tudor Grange academy, which will be unaffected.

I listened carefully to my hon. Friend's excellent speech and one cannot help but be moved on hearing of the state of the fabric in some of the buildings, where a quarter of the pupils—in some schools half the pupils—are having lessons in temporary accommodation. I have seen the photographs that my hon. Friend brought to the meeting with Lord Hill and I share his concern about the state of the fabric of some buildings. My hon. Friend talked ably about Burlish Park primary school, where there is no accommodation for children on wet playtimes, and where classes are sometimes taken in the corridor, alongside gym and dance lessons. He also discussed Cookley primary school where, because classes are taking place in corridors, there was a risk that Ofsted would fail it on well-being grounds. He makes a powerful case about need in his area.

The end of BSF, however, does not mean the end of capital spending on schools. Money will be spent on school buildings in future, but it is imperative that it be spent on school infrastructure and the buildings themselves, and not on process, as my hon. Friend pointed out—particularly if we are to meet the increasing demand for school places in the coming years as the birth rate rises. That is why we appointed the group headed by Sebastian James, the group operations director of DSG International, to conduct a root and branch review of all capital investment in schools, sixth form colleges and other services for which the Department is responsible. The group is due to report back to us at the end of December, and will be looking at how best to meet parental demand; make design and procurement cost-effective and efficient; and overhaul the allocation and targeting of capital.

That will give us the means to ensure that future decisions on capital spending are based on actual need, which I know is one of my hon. Friend's chief concerns, and on ensuring that all schools provide an environment that supports high-quality education. However, given the fact that the review is still in progress, I am sure my hon. Friend will forgive me and understand that I cannot make any specific commitments today about how much money will be allocated, or exactly when. I am sure that that will disappoint students at Stourport high school, and other young people who have campaigned so hard for their schools in his constituency. I would at least like to assure my hon. Friend, as well as parents, staff and students in Wyre Forest, that the Department will continue to make capital allocations on the basis of need—particularly dilapidation and deprivation—and that the end of BSF does not mean the end of school rebuilding.

I know that my hon. Friend is worried about the fairness of per pupil funding in Wyre Forest and Worcestershire, as well as about capital expenditure. I can assure him that we share those concerns. We recognise that the spend-plus methodology has provided some stability and predictability, which many schools and local authorities have welcomed, but we nevertheless intend to undertake a thorough review of the current system, which will consider how to fund schools for 2012 and beyond, and look at how we can ensure that each and every school in the country is fairly funded. In addition, I am sure that my hon. Friend welcomes the Deputy Prime Minister's announcement last week on the fairness premium, which will help disadvantaged students to receive the support they need to reach their potential. That is intended to tackle one of the failings of the past decade in schools, when the achievement gap between the richest and poorest children actually grew. The odds of a pupil on free school meals achieving

[Mr Nick Gibb]

five or more GCSEs at A to C, including English and maths, currently stand at less than one third of those for a pupil who is not on free school meals doing so.

In conclusion, I ask my hon. Friend to bear in mind the economic background to the matters that we are considering. No one comes into politics to cut public spending, but the Government face a £156 billion deficit—the largest among all the G20 countries—and it is our responsibility, difficult and painful as it may be, to do something about it. In the current financial climate, and with the announcement of the comprehensive spending review tomorrow, we have a particular duty to ensure that we continue to invest where investment is needed, to get the best possible value for taxpayers' money, and to achieve the right balance between spending and other means of school improvement.

Change will not be effected just through spending decisions, but by the creation of a system that puts more trust in the professionals who work in it. The Government believe that head teachers should have more of a say in how money is spent, and that teachers should have more say in what and how they teach their students. We believe that parents should have a real choice about what school to send their child to. Future spending must support those aims and ensure that money is directed where it is really needed, to pupils, school and staff. Finally, I congratulate my hon. Friend on drawing the matters in question to the attention of the House, and on the conscientiousness with which he has pursued his constituents' matters with the Department.

Wedgwood Museum

1.27 pm

Tristram Hunt (Stoke-on-Trent Central) (Lab): It is a great pleasure to raise the future of the Wedgwood museum. I thank my hon. Friend the Member for Stoke-on-Trent North (Joan Walley) for joining me here, as well as the Minister, who has proved generous with his time and attention in this matter.

We are here to highlight one of the greatest cultural collections in England, and the threat to its future. On the southern edge of Stoke-on-Trent, in the constituency of my hon. Friend the Member for Stoke-on-Trent South (Robert Flello), stands a museum dedicated to

"The People Who Have Made Objects of Great Beauty from the Soils of Staffordshire."

In 2009, it won the £100,000 Art Fund prize for museums and galleries, and the judges praised it as a "brilliant snapshot", highlighting the marriage of art, design, manufacturing and commerce. However, today the museum is under threat from a legal quagmire more akin to Jarndyce v. Jarndyce than any rational museums policy. What is more, the principle at stake in the dissolution of the collection could have major, damaging repercussions for museums across the UK.

The origins of the Wedgwood museum can be traced to Josiah Wedgwood himself—a former resident of what is now the constituency of my hon. Friend the Member for Stoke-on-Trent North. In 1774 he wrote:

"I have often wish'd I had saved a single specimen of all the new articles I have made, & would now give twenty times the original value for such a collection. I am now, from thinking, and talking a little more upon this subject...resolv'd to make a beginning."

And so resolved, Wedgwood made a beginning on what is undoubtedly among the finest ceramics collections in the world, with some 8,000 objects on display, from black jasper Portland designs to bone china tea sets and Robert Adam-designed vases. The collection testifies both to Wedgwood's genius and the company's productivity.

Joan Walley (Stoke-on-Trent North) (Lab): Does my hon. Friend agree, given the context of the debate and his reference to Josiah Wedgwood, that this debate is part of a wider debate about ceramics and the culture of the Potteries, and about the importance of finding a long-term solution for the Wedgwood institute in Burslem?

Tristram Hunt: I absolutely agree. As I hope to point out, the interrelationship between the past and the present is enormously important, drawing on history not simply for archaic reasons but as an economic and cultural motor for the city of Stoke-on-Trent and the county of Staffordshire. As my hon. Friend pointed out, the collection is as much commercial as aesthetic. We see in the museum guides to earthenware and creamware, and to jasper and basalt production.

Mr William Cash (Stone) (Con): The hon. Gentleman has only half an hour but, as I said in a message I left in his office, I would be grateful for the opportunity to make a short intervention on the subject. As he well knows, the museum, because of the configuration of boundaries, is actually in my constituency. I just wanted to say a few words.

Tristram Hunt: I am happy for the hon. Gentleman to say a few words, and I will canter through the outlines.

Wedgwood died in 1795, but his descendants, the Wedgwood family, dedicated their collections to the museum right through the 19th and 20th centuries. Indeed, collections from the Wedgwood family were donated right up to the last few years. It was always done as an act of social philanthropy, in the belief that the collection would be preserved for all future generations, in perpetuity. Wedgwood stands very much in line with the thinking of the Secretary of State, who recently announced:

"Philanthropy is central to our vision of a thriving cultural sector",

and called for

"more individual acts of social responsibility".

However, the museum goes far beyond telling the extraordinary life of Wedgwood, the manufacturer, agitator, internationalist and salesman. It describes the advent of industrialisation, the nature of the English enlightenment and how the French revolution and the struggle against slavery reverberated throughout the UK. For me and some of my colleagues, one of the most inspiring parts of the collection is the series of medallions stating:

"Am I not a man and a brother",

celebrating Wedgwood's involvement with the abolitionist cause.

The Wedgwood family and business have always had a keen sense of their place in history. The firm opened its first museum in 1906. By 1909, the museum catalogue was packed full of artefacts. In 1962 the family, with great prescience, aware that the Wedgwood family business was likely to go public, decided formally to separate the museum from the factory, specifically to prevent the museum from being used as a realisable asset by any future predator. Whatever financial difficulties were encountered by Wedgwood, any corporate owners could not sell the collection. Even in 2009, when Waterford Wedgwood entered administration, Deloitte, the administrator, could not touch the collection and sell it off to pay the many creditors.

The museum became a charitable trust in 1998, in order to secure funding for a new building to house the collection. The Heritage Lottery Fund generously contributed £5.86 million, resulting in a magnificent new museum which opened to the public in 2008, confident in the status of a charitable trust. Since then, unfortunately, an Alice in Wonderland legal situation of such absurdity has developed that it barely seems credible. In January 2009, Waterford Wedgwood, the pottery giant, went into administration. The company was bought by KPS, an American private equity firm, which managed to purchase the prize assets of Wedgwood, Royal Doulton and Waterford without taking on board any of the £134 million pension liability of the Wedgwood group pension fund. This was the initial cause of the problem.

Pensions legislation, introduced initially in 2005 and amended in April 2008, now means that the museum, a small charitable trust, is being held responsible for the £134 million shortfall in the Wedgwood companies' pension plan, because five of the museum's staff are among the Wedgwood group pension fund's 7,000 members. We have the madness of a £60,000 pension liability being liable for £134 million of debts, with a priceless collection at risk. How can this be?

The museum staff are not employed by the insolvent Wedgwood firm, but by the entirely independent Wedgwood Museum Trust Ltd, a completely separate charitable company. The brand new museum, housing a 250-year-old collection, has not gone bankrupt, but it has gone into administration, because the Pension Protection Fund has made a claim on every penny of its assets.

To be fair to the PPF, it has acted intelligently through the process, as it seeks to find a solution. However, under the "last man standing" principle, the Wedgwood museum is still a solvent company: it is the last man standing, because five of its employees are in the same pension fund. The legislation might have had laudable aims in preventing large multinationals from hiding assets to reduce pension payouts, but somehow charities and trusts have fallen foul of its far-reaching tentacles.

In such a context, it is important to make it absolutely clear that even if the whole collection were sold, it would not meet even half the pension debt, and the 7,000 ex-employees would not receive any more pension income. The money would simply be swallowed up by the Pension Protection Fund. Loyal ex-Wedgwood employees know this and support our campaign to save the historic collection. They know from experience the hard work, craftsmanship and sheer excellence of design that went into producing many of the pieces in the collection. All the citizens of Stoke are immeasurably proud of the Wedgwood museum and will be devastated if it becomes a victim of poorly applied legislation and a pensions crisis.

Joan Walley: I simply want to put on record my thanks, and that of my constituents, to all those Wedgwood employees who, over the years, have made the collection what it is. It is absolutely essential that, when the Minister replies, he assures the people of Stoke-on-Trent that he will look at a plan B or at whatever is needed to ensure that we do not end up losing this most precious of museums.

Tristram Hunt: I thank my hon. Friend for her intervention and wholly concur with her.

The future of the Wedgwood museum collection now rests on a court decision expected in January—though it would be good to have some clarity on dates from the Minister—as to whether the collection is alienable. Former Wedgwood employees, local Stoke and Staffordshire enthusiasts, Wedgwood family members and leading historians, curators, artists and ceramicists are appalled by the situation. Sir Neil Cossons, chairman of the Royal College of Art, puts it well:

"If the court case goes against the museum it will not only be catastrophic for one of the finest museums in the country but blow a hole through all our assumptions about the inalienability of collections held by trusts."

The case could have major implications for other museum trusts across the UK. Which museum linked to a pension deficit of a local authority, university or company might be in difficulties after a poor judgment?

Mr Cash *rose—*

Tristram Hunt: I ought to give way to the hon. Gentleman, if he wants to intervene.

Mr Cash: If the hon. Gentleman finishes his speech, perhaps I could give a short speech after him.

Tristram Hunt: If that is the format, that is okay.

As ever, the Minister has listened attentively. We seek some commitment from the Government that they are doing more than simply watching this car crash take place. As my hon. Friend the Member for Stoke-on-Trent North asked, what are the Government's plans for the Wedgwood museum if the case goes against it? Do the Government have plans to amend legislation, to ensure that such a crazy outcome never befalls another museum? Will they put pressure on the Pension Protection Fund so that if the case goes against the museum; there will not be a quick-fire sale of historic assets?

The pottery industry of Staffordshire and Stoke-on-Trent is far more than a museum piece, as last week's Ceramics 2010 exhibition proved. However, the industry values its heritage and continues to draw inspiration from the designs and craftsmanship that the Wedgwood museum embodies. It would be a monstrous act of cultural self-destruction and a betrayal of those very people who have made objects of great beauty from the soils of Staffordshire if the museum was allowed to collapse, and with it a vital component of the meaning and memory of the potteries.

Robert Flello (Stoke-on-Trent South) (Lab): I congratulate my hon. Friend on securing this extremely important debate. It is important not only to the people of north Staffordshire but to people across the globe. This is an industry that is at the heart of the beauty and craftsmanship that goes on around the world. Does he think that it would be appropriate for the Minister to furnish the House of Commons Library with details of museums that may be in a similar position in future given that they, too, may have links with pension funds? That would enable us to know as soon as possible what other collections around the country may be at similar risk.

Tristram Hunt: That is a very good point. It would be interesting to know what other museums could be at the same risk as the Wedgwood museum. Some people believe that this is a one-off case, but knowing lawyers and judges as I do, that is rarely the case.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Does my hon. Friend agree that this is not just a parochial issue for north Staffordshire? The Wedgwood museum is iconic for the whole industrial and cultural heritage of the country. Indeed, Wedgwood was one of the first global brands and is still one of our best-known names. Does he agree, therefore, that it would be sacrilege if it were forced to be sold or broken up as an unintended consequence of insolvency regulations relating to pension funds? If the case were to go against it in court—courts are bound by the law—it is vital that legislation be pushed through to tidy up these loose ends, because, at the end of the day, that is what the House of Commons is for.

Tristram Hunt: I absolutely agree with my hon. Friend. It is crazy for legislation to be applied in this context. It is right that this museum should be able to provide encouragement to the pottery industry in Stoke-on-Trent, which is beginning to export and innovate more and to return to health, and that we have a Government who believe in manufacturing and growth outside the south-east. The museum is a good symbol of their commitment to a broader vision of a regional economy.

1.42 pm

Mr William Cash (Stone) (Con): I am extremely grateful to the hon. Member for Stoke-on-Trent Central (Tristram Hunt) for allowing me to speak. The previous Member for Stoke-on-Trent Central was Mr Mark Fisher, who was a great friend of mine.

I should like to congratulate the hon. Gentleman on the way in which he has conducted himself in this debate because the issue relates not only to the museum itself but to the whole question of how we address the anomalies that can arise when a piece of legislation unexpectedly hits a museum and our artistic heritage in such an unpredictable and, I believe, unintended manner. It almost provides a reason for contemplating the idea of retrospective legislation. It would be extremely rare to do that, but there are circumstances that can arise, such as money not being available. A court judgment, which no doubt follows the letter of the law, may have an unpredictable result, such as the destruction of something as important as this museum, in my constituency. I should like to pay tribute not only to the hon. Gentleman but to all the other hon. Members here. This is a very important debate, and I want to give the Minister plenty of time in which to reply.

I received a letter from the chairman of the trust a few days ago, for which I am grateful, expressing his concern and saying that the question of future legislation must be discussed with the Government, which we shall do. Let me add that the reference to the anti-slavery movement by the hon. Member for Stoke-on-Trent Central, who is a distinguished historian, touched me because members of my own family were involved. In fact, Samuel Lucas and John Bright no doubt had meetings with the family over it all.

As for the future, we must resolve this matter. This is not just an aberration; it is something that must be resolved. I know from the useful letter that I received from the Minister only a few weeks ago that he himself is well apprised of that. He said:

> "I too am concerned to protect the Wedgwood Collection and the award-winning Wedgwood Museum."

I know that he means what he says. I am quite sure that some means will be found to deal with the matter, perhaps using the National Heritage Memorial Fund. I drew up the first draft of the Bill in the 1970s for Denis Mahon and Arthur Jones when we had had an historic houses meeting. I drafted the Bill and, to all intents and purposes, that is the basis on which that fund now exists. It was to deal with war surplus and it is now being topped up. Before, it was just being allowed to become a wasting asset. I know that the Government now are committed to that fund and that there are also the lottery funds as well. There are all kinds of ways and means to address the matter. There is the prospect of legislation—perhaps even a private Member's Bill. I hesitate to suggest anything that has a "Downton Abbey" look about it, but to save the entail of Staffordshire, perhaps a private Member's Bill is appropriate.

I should also like to pay tribute to at least one member of the family who is here today. I pay tribute to the family and to the whole tradition of Wedgwood,

including its employees and others, such as Christopher Johnson, who have taken an active part and an intelligent interest in the manner in which a resolution can be achieved. Given the fact that the organisation is in a legal situation, the most that we can do is to find a way out of this impasse.

I should also like to pay tribute to Neil Cossons, who is a distinguished expert in heritage and who also worked with me in the Ironbridge Gorge Museum Trust in the 1970s. He has now gone on to so many great things. To have his support is tremendously important.

In conclusion, we must find a solution. The Government, I believe, are determined to do so. I wait to hear what our distinguished Minister has to say.

1.47 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I am grateful for the opportunity to speak under your chairmanship for the first time, Mr Hollobone. I know that you will go on to have a distinguished career as a Chairman of these kinds of debates, and in many other areas of the parliamentary process. I also congratulate the hon. Member for Stoke-on-Trent Central (Tristram Hunt) on calling this debate to highlight the plight of the Wedgwood museum. It has been very enjoyable—I hesitate to use that word—to hear him set out the case for the Wedgwood museum in the forceful style to which many millions of television viewers have become accustomed. I also express my gratitude to the number of hon. Members who have attended and spoken in this debate. I refer to the hon. Members for Stoke-on-Trent South (Robert Flello) and for Stoke-on-Trent North (Joan Walley). I thank my hon. Friend the Member for Stafford (Jeremy Lefroy) for his presence and the hon. Member for Newcastle-under-Lyme (Paul Farrelly), who intervened. I pay tribute to the speech made by my hon. Friend the Member for Stone (Mr Cash). We had not only a deep historical analysis of the importance of the Wedgwood collection, but, through my hon. Friend —he is one of our foremost and most distinguished constitutional lawyers—we were able to have a tour d'horizon of the legislative or constitutional solutions that might pertain to the future of the Wedgwood collection.

As the hon. Member for Stoke-on-Trent Central made clear, the Wedgwood collection is part of this country's history. I make no bones about that; it is probably one of the most important crafts collections and one of the most important historic collections in the country. It is an integral collection and, as the hon. Gentleman indicated in his speech, it has been more than 250 years in the making. It stands, as it were, at one end of the spectrum of the craft in which this country continues to thrive, a spectrum that ranges from the Wedgwood collection to the creation of the Victoria and Albert Museum, which is the foremost museum of crafts in the world. Two years ago, the Wedgwood museum won the prestigious Art Fund prize and the Victoria & Albert Museum of course reopened its crafts galleries to huge acclaim.

It is absolutely clear from the remarks of hon. Members that have already been made during this debate and I hope that it will be absolutely clear from the remarks that I will make in concluding the debate that none of us would like to be in this position. We are almost, as it were, walk-on parts in an obscure Dickensian novel, in which a complicated piece of legislation has the most dramatic and unintended consequences. Potentially, those consequences put one of the great cultural jewels of the nation under threat.

Nevertheless, as a Minister I cannot circumvent the law. At this stage, I must simply report to hon. Members what I believe to be the current position and then I can perhaps extrapolate from that position where we might go with a plan A, or indeed a plan B. So I want to update hon. Members on the progress on the case; I want to outline the Government's position; I want to set out what I believe could be the next steps to protect the museum and avoid the loss of the collection; and, as hon. Members have suggested, I also want to consider what we can learn from this case to ensure that other museums do not find themselves in a similar position in the future.

First, as the hon. Gentleman pointed out, the Wedgwood museum went into administration in April this year after it was served with a substantial pension debt by the company that was set up to manage the Wedgwood Group pension plan. The trustees of the museum firmly believe that the museum's collection is held in special trust and should not be available to pay that debt. Therefore the administrator, together with the trustees of the museum, is preparing to make an application to court to clarify the status of the collection. That application will be made when certain administrative matters have been settled, which we are informed should be by the end of November. Then the administrator will be able to make a formal application to court. Although that application to court will be made as soon as is possible, the timing of the court hearing is not within the control of the museum or the administrator.

As the hon. Gentleman also indicated in his opening remarks, the museum is in the unfortunate position that it finds itself in because of its participation in a multi-employer pension scheme covering a number of employers in the Waterford Wedgwood Group. When the group went into administration in 2009, the museum found itself as the last remaining employer in that scheme. Therefore, the museum technically became responsible for a pension debt that, as the hon. Gentleman indicated, is in the region of £134 million. That pension debt or shortfall affects some 7,000 members of that pension scheme, including former employees of Wedgwood Ltd, Josiah Wedgwood & Sons Ltd and Stuart and Sons Ltd.

Due processes now need to be followed to establish what assets are potentially available, and the Wedgwood museum is not exempt from those processes. The pension scheme has now entered an assessment period for the Pension Protection Fund, the body that was put in place to ensure that pension scheme members receive a meaningful income in place of their pension, where an employer has become insolvent or where there are insufficient assets. However, the PPF has no control over the sale of the museum's assets.

We must follow the correct processes. If schemes such as the Wedgwood Group pension plan were to be admitted to the PPF without pursuing the debts owed to them, a greater burden would fall on pension schemes that pay the pension protection levy. That would then undermine the financial sustainability of the system and its ability

[Mr Edward Vaizey]

to serve its purpose. Unfortunately, as I have already indicated, in this case there is a view that the Wedgwood collection could be a potential asset.

The Charity Commission was asked to provide a view on whether the collection is held in permanent endowment or whether it is part of the charity's corporate property, which is available to creditors. The issue was considered at the very highest level by the Charity Commission. Despite the commission's sympathy for the museum and its recognition of the importance of the collection, it reached the conclusion that the museum's collection was not protected.

The commission cannot exercise any discretion in that decision and it must reach a conclusion based on the facts of the case and the law. However, it is a regulator and it can only reach a view on whether the collection is held in permanent endowment. The only body able to give a definitive ruling remains a court of law.

Given what is at stake here and the need for absolute certainty, the commission has confirmed that it would give consent for the museum to take court proceedings. The process of administration intervened before those court proceedings could commence.

The Government have not ignored this situation and fully recognise the implications for the people of Stoke-on-Trent and the potential loss of their heritage and indeed the nation's heritage.

Mr Cash: I just want to raise the question of equitable relief. I hope that the court, in its generosity, might be able to take account of matters of that kind, because of course this issue affects trusts.

Mr Vaizey: It has been a while since I studied trust law, but I am not quite sure on what grounds equitable relief would be available in these cases. However, I would defer to more senior counsel on that point.

I would like to return to what I was discussing before my hon. Friend's intervention, which is my Department's involvement in the issue of the future of the Wedgwood collection. The Department has worked closely with the museum's director and trustees, their legal advisers and the Charity Commission to assist in this matter. Under the last Government, the Department provided assistance to the Wedgwood museum, and since I have been in office I have also given as much assistance as I have been able to.

I will recap on the Department's involvement so far. First, the chairman of the museum approached the Department in October 2009 to ask for help in clarifying the status of the collection. Department officials set up a meeting with the Charity Commission, in which the commission agreed to review the museum's evidence. That led to the commission taking the view about the collection that it did.

More important, in January of this year the Museums, Libraries and Archives Council awarded a grant of £200,000 to the museum to support its legal costs. I know that hon. Members will agree with me, particularly as it happened under the previous Government, that that was an important injection of financial support given the situation that the museum finds itself in. The Department also gave a one-off grant of £25,000 to support the museum's operational commitments.

As the hon. Member for Stoke-on-Trent Central pointed out, the Heritage Lottery Fund had already generously funded a substantial proportion of the new museum, but since January of this year it has awarded a grant of £50,000 towards the museum's educational work with schools, its volunteers' programme and staff training, to enable the museum to meet the new challenges that it faces.

In July, I wrote to the new owners of the Wedgwood company to alert them to the museum's predicament and to emphasise the importance of the museum's collection. I am pleased to say that the museum now has a good relationship with the new owners of the Wedgwood company.

Throughout this time, my Department, the Heritage Lottery Fund, the Museums, Libraries and Archives Council and the Charity Commission have all worked as closely as possible to support and advise the Wedgwood museum, and to try to plot a way forward. As a result of that work and the efforts of the museum's director and its excellent staff, the museum is still open to the public and receiving a steady flow of visitors. It has made strong partnerships with the local cultural and tourist industries, and it has a business plan in place to ensure that it can continue to operate if the courts should rule in its favour.

To sum up, I believe that my Department and its sponsored bodies have acted quickly and effectively to support the Wedgwood museum during the past year, when there have been two different Governments.

Tristram Hunt: I just want to ask whether the Minister will be having talks with the PPF. In particular, if the judgment goes against the museum and therefore its assets are considered liable, what is the space that the PPF has, in terms of giving time for raising money and for appeals, so that we do not have Sotheby's and Christie's crawling all over the collection on a Tuesday morning and so that we can work to save it?

Mr Vaizey: Let me continue with what I was going to say, because some of my points may address that issue. As I was going to say, we must await the outcome of the court case. However, I will happily discuss with the PPF what more needs to be done. In terms of a plan B, we have had discussions with two national museums about what should happen if there is a problem, and we will work for a solution that way—

2 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Wednesday 20 October 2010

[MARTIN CATON *in the Chair*]

Elections and Returning Officers

Motion made, and Question proposed, That the sitting be now adjourned.—*(Miss Chloe Smith.)*

9.30 am

Mrs Eleanor Laing (Epping Forest) (Con): I am pleased to have the opportunity to bring this matter to the House's attention yet again, and to see that more than one or two colleagues are here. There is some interest in the matter. That is not a great surprise; if there is one thing that we can be sure Members of Parliament know at least a little about, it is elections and the conduct of elections.

There was much publicity after the general election in May this year, when we saw dreadful scenes that looked as though they came from some third-world country whose democracy was not very well developed. People queued to vote in the general election but were unable to do so after 10 o'clock due to rules made there and then—or, rather, interpreted on the spot—by returning officers.

My interest in the matter did not begin on the night of the general election. For the record, the electoral registration officer in my constituency, who is the acting returning officer, ran an extremely good and efficient election. It also had the right result. I talked to him about the process throughout the build-up to the election, because I was interested in such matters, and I saw how things were conducted in Epping Forest. It was an example of how an election ought to be run.

Although the vast majority of returning officers and electoral registration officers do their jobs impeccably and are never open to criticism, others are unfortunately not quite up to the mark. We discovered before the general election that returning officers are responsible to almost no one. A debate took place in this Chamber on 3 February 2010 in which such matters were examined in relation to election counts. At that point, there was a lot of fuss in the media about whether the result of the general election would become clear the day after or not until later. As it happens—hindsight is a wonderful thing—the true result of that particular general election did not become clear for several days. However, that cannot be blamed on the conduct of returning officers; it was a direct result of the decision of the electorate, which is another matter, and one that we are not here to debate.

The question that arose before the general election was whether the votes ought to be counted at 10 o'clock, immediately on the close of polls, or—as many returning officers decided—on the following day. Some of us got rather exercised about the decisions to wait and said that it was unacceptable behaviour on the part of returning officers. We brought the matter to this Chamber, where it was well debated. However, I was extremely surprised on doing serious research into the role and duties of returning officers to discover that their power and authority extends from a 19th-century statute and has been little modified in more than 100 years.

Parliament dealt with the difficulty in relation to whether returning officers should count votes at 10 o'clock somewhat unusually, by amending primary legislation. I tabled an amendment to the Constitutional Reform and Governance Bill. As an Opposition amendment, it looked as though it would be a talking point only, but fortunately, the then Secretary of State for Justice and Lord Chancellor, the right hon. Member for Blackburn (Mr Straw), decided that the matter needed to be dealt with there and then. He put his name to my amendment, which then became part of the Bill. By a last-minute amendment to primary legislation, returning officers, unless they could demonstrate extenuating circumstances for doing otherwise, were required to start counting votes immediately on the close of poll. That gave us the right results for the last general election, but surely it cannot be right that the law on such a matter should be made ad hoc, in primary legislation, just a few weeks before a general election.

My purpose in asking for this debate was to allow the issues to be aired once again and to begin a general discussion now, I hope, to help the Minister, who I know is intent on improving matters in that area of the law. I also hope that we can begin a discussion that considers what the duties of returning officers are and who undertakes the duty of electoral registration officer and then acting returning officer.

Returning officers, as I am sure hon. Members are aware, are usually not paid officials but the high sheriff of a county, for example: another leftover from 19th-century legislation that has never been properly updated. The person with the official duty and responsibility of returning officer is the titular head of the returning officer's organisation but takes no actual part whatever in the running of elections, whether day to day, annually or every four or five years. That work is done by the acting returning officer. When one goes back into statute to examine where the acting returning officer's power derives from, one finds that it is a grey area. Those matters must be updated. In most cases, although the returning officer is, perhaps, the high sheriff or lord lieutenant, the acting returning officer is usually the electoral registration officer, often a high-ranking official in a local authority.

After the debacle during the general election in May, when a significant number of voters were left standing outside polling stations, denied their right to vote due to administrative upheaval and a lack of administrative control and planning, we discovered that acting returning officers are paid a considerable fee for their work in organising a general election. I make no complaint about the structure of that system because, of course, the duties associated with organising a general election only occur once every four or five years. Happily, the general election is now likely to be on a certain date every five years. That will perhaps aid the ability to plan because we will have far more certainty about the date of an election. Indeed, we should all be happy about that.

If someone undertakes to do a job every four or five years, of course, it should not be a permanent position—the job should be paid, and the duties allocated and required only for that time. However, on further examination of the situation, we discovered that very large sums were being paid to returning officers. That has been well documented so I will not read out the sums, because it

[Mrs Eleanor Laing]

does not help the debate to put a particular person on the spot, give a particular name and say how much he or she was paid to do a job.

Chris Bryant (Rhondda) (Lab): But that is what the hon. Lady's Government have just done in relation to everyone earning more than £80,000. I do not know why she is being so coy about the matter.

Mrs Laing: I accept the shadow Minister's comment. I understand what he is saying, but he is making a different point on a different matter. I have a list of returning officers who allegedly did not do their jobs very well and yet were paid sums in excess of £12,000 or £15,000 to do that particular job for a few weeks. I am not the kind of politician who embarrasses individual members of society by announcing their names to be recorded in *Hansard*. We will leave that sort of thing to the tabloid press. The point is that there is no chain of accountability. That is where the problem lies, and that is where the problem lay when we examined how returning officers could be required or even just encouraged to start the election count upon the close of poll. That is also what we discovered when inquiries where carried out correctly by the Electoral Commission into how administration was taken forward for the election in May this year.

It is appalling that senior people in local authorities who have a position of responsibility and normally command salaries well in excess of £100,000—usually far more than that, as far as I can see from the statistics—have not properly planned for a general election and have got things so badly wrong that people were deprived of their vote. In the instances that occurred in May, it is fortunate that there were no cases in which the number of electors who allegedly were unable to vote because of returning officers' maladministration was greater than the majority in that particular seat. Therefore, there was no reason for an appeal to the courts on the election result. In one way, that is fortunate because it would have meant uncertainty about the results of the election. In another way, however, it is unfortunate, because the matter has not been properly examined, which is another reason for my initiating this debate.

Mr John Leech (Manchester, Withington) (LD): The hon. Lady is right: there is no evidence to suggest that any outcome would be different as a result of people being unable to vote on election day. However, we can never be sure about how many people turned up at polling stations, saw the enormously long queues that resulted from all sorts of chaos, went away again and did not bother coming back. That was a big disincentive in some areas, where people saw big queues and thought, "Well, I can't really be bothered. I'll just go home and won't bother voting."

Mrs Laing: The hon. Gentleman is absolutely correct; I am glad he made that point. We have spoken a lot lately about the need to encourage people to be involved in the democratic process and to encourage all age groups and people across the social and economic spectrum to register and use their vote. I mentioned earlier the number of people who allegedly turned up at the polling station and were denied their right to vote. That number may even be far greater than we estimate, because of the situation that he has described.

Iain Stewart (Milton Keynes South) (Con): It is also important to note that the problems arose when the turnout was not particularly high. Turnout increased marginally in 2010 compared with the previous general election, but it was nowhere near the turnout figures of 75% or 80% that we used to have in the elections of the 1970s and 1980s. If we return to that level of turnout, I suspect that the problems that occurred will be magnified many times over.

Mrs Laing: My hon. Friend is, as ever, absolutely right. That is one of the problems we can foresee. We are all working hard—I know that the Minister in particular is doing so—to bring in individual voter registration as soon as possible. We all hope that individual voter registration will encourage more people to be involved, to register and to use their vote. We also find that where the media tell people that the outcome of an election is a foregone conclusion, many people think that there is no need to go and vote. If we have closer elections and it appears that there could, again, be a change of Government—let us hope not, but I suppose that it will happen one day—people are more likely to vote and there will be higher turnouts.

If the Parliamentary Voting System and Constituencies Bill, which is currently before the House of Commons, succeeds in going through Parliament, we will have a referendum next May and it is likely there will be a high turnout—although I have argued that that is not likely. However, in any case, there will be a national plebiscite where everyone will be given the opportunity to vote. That is not very far away. So although we will not have a general election for another four and a half years, we will have a full national election of sorts next May. Therefore, by securing this debate, I hope that I am helping to begin the discussion on matters that need to be taken into consideration before next May and the next set of elections.

One of the subjects that has not yet been fully explored is the role of the Electoral Commission, which is still a fairly new body. In many ways, it has been very successful. However, in some ways, it is still settling into its role. When taking the advice of the Electoral Commission on how to deal with the issue of returning officers and the timing of the count, we discovered that it has no power to require returning officers to act in a particular manner. The Electoral Commission only has the power to issue guidance.

As a matter for consideration, I suggest that such a situation is not fair. The Electoral Commission and its chairman were given the blame for what went wrong at 10 o'clock on election day, but it is not fair that they should take the blame when they had no power beforehand to put matters right. At 10 o'clock on election night, the Electoral Commission had no power to say to individual returning officers, "No, you can't do this. You must allow people to vote. You must keep the doors open." It had no power to tell people to act in a particular way. Nobody had any power. The Minister had no power; the Electoral Commission had no power; the local authorities had no power. There is no line of reporting or of authority for electoral registration officers and

acting returning officers. In a modern democracy, where we spend hour upon hour in the Chamber discussing the minutiae of elections and their administration, as we have done over the past few days, it is appalling to discover that there is no line of authority whereby the administration of our elections can be properly decided.

In the run-up to the election, during which I had been fairly vocal about the problem of returning officers and the 10 o'clock vote, I found myself in a live radio debate with a particular returning officer, a lady from the north of England. I made the point during that debate that returning officers ought to be responsible to the electorate and ought to act responsibly. The lady's retort, which was made live on the radio, was more or less along these lines: "How dare you, a Member of Parliament, try to interfere with how I, a returning officer, do my job. I am responsible to no one and I won't listen to you, Madam." Those were not her exact words, but it was clear that her message to me and to the three or four people listening was that returning officers were responsible to no one, and she was outraged that I would even suggest that Parliament should take some action in that respect. I was equally outraged in my response, but I will not repeat what I said. The fact is that the count in that constituency took place, I am glad to say, at 10 o'clock on election night.

The 10 o'clock issue is irrelevant; how our electoral system is administered is what is important. Over the past few years, various complications have arisen in elections, such as having more than one election on the same day, or different kinds of elections under different voting systems on the same day, as happens in Scotland. There is a danger that such complications will arise across the country next May, when a referendum and other elections will take place simultaneously in more than 80% of the UK. Indeed, in some parts of the country, three types of election will take place on the same day. On this occasion I do not object in principle to simultaneous elections, although I have done so on other occasions. The purpose of the debate is to open the discussion on how we ensure that elections are undertaken in a proper, measured and watertight fashion.

My first suggestion to the Minister is that the powers and duties of the Electoral Commission should be reconsidered and that perhaps the way forward is that it ought to be given a power to direct returning officers, electoral registration officers and acting returning officers. My second suggestion, which I am happy for the Minister to knock straight on the head, although I think it ought to be discussed, relates to the hypothecation of public money. The Treasury is implacably opposed to hypothecation, and there are good reasons for that, which I have always supported. However, the additional funds for electoral registration officers setting up and administering elections come directly from the Treasury, rather than local taxpayers. That is absolutely right, because if the money came from local taxpayers, a returning officer would have the excuse of saying, "Well, in this local authority we have had a particular problem with housing this year, and we have spent so much money on that that we simply do not have enough to spend on the proper administration of elections." That would be the case whatever the current concern in a local authority, whether it is asylum seekers or an influx of Gypsies and Travellers. However, such excuses cannot be made because the money spent on elections comes directly from the centre.

Having come directly from the centre, however, that money is not ring-fenced or earmarked, so there is no hypothecation. I am suggesting, for the sake of argument, that the principle of hypothecation in that instance ought to be revisited. We are talking about money allocated from central Government for a specific purpose over a specific period of time, so that money that comes to returning officers and local authorities for the funding of electoral administration ought to be hypothecated and ring-fenced. I appreciate that the Minister may be bound to say that Treasury rules do not permit hypothecation, which I understand, but this is only the beginning of the argument.

Mr Brian Binley (Northampton South) (Con): I am particularly pleased that my hon. Friend has raised this matter, as she has been doing for some years in the House through the auspices of the 1922 committee and with the Electoral Commission itself. My fear is that money is being leached across and leached out, as there is great pressure for that to happen in times of economic stress. I sincerely welcome her plea to the Minister and urge him to take the matter on board. Unless the Government do something about it, in these times of stress we will not see an improvement or have proper money spent on the administration of elections or on the training of registration officers and acting returning officers, and therein lies one of the vital points.

Mrs Laing: My hon. Friend, as ever, makes an excellent point. I know that he is rather an expert in those matters, and it is a pleasure to have his wisdom and guidance on them.

The basic principle is one of confidence. As a modern democracy, we must have confidence in how our elections are administered. I would have raised the matter for discussion—I hope that I would have had the opportunity to do so—even if the queues had not formed at polling stations at 10 o'clock on election night. Even before that happened, most of the questions that I have asked this morning were unanswered and are waiting for action. Having seen what happened at the close of the polls, I think that all of us who are involved in any way in the democratic process ought to hear alarm bells ringing. I know that the Minister takes the matter seriously and hope that I am being helpful by giving him one of the first opportunities to examine the matter and assure Members that the Government will take action before we have any serious national election to ensure that we have a proper accountability structure for those administering our electoral system.

9.59 am

Mark Lancaster (Milton Keynes North) (Con): It is a pleasure to serve under your chairmanship, Mr Caton, and to contribute to this timely debate. I congratulate my hon. Friend the Member for Epping Forest (Mrs Laing) on securing it. She has been a champion for that cause and I was particularly interested in her comments and suggestions on the Electoral Commission, which I will touch on. I agree wholeheartedly with almost everything she said.

I shall briefly draw attention to some of the issues in my constituency, Milton Keynes North, which was one of the 11 constituencies that formed the focus of the Electoral Commission's initial review, "2010 UK

[Mark Lancaster]

Parliamentary general election," published on 20 May. Regrettably, the difficulties encountered in my constituency on election day were numerous.

Initially, problems arose early in the day around ballot boxes in one of the polling stations in Newport Pagnell, which was being used for voting in local council elections in two wards as well as the general election. Ballots for the wards were mixed up: ballots for Newport Pagnell North were issued to residents in the south and vice versa. Eventually, amidst the confusion, the police were called to attend and some votes were recalled. It is worth noting, though, that the people who had already voted were not contacted by officials to recast their local council votes in the right ward. Fortunately, there was a clear-cut election in both wards, and the number of ballots cast which were issued incorrectly was significantly lower than the majority of the winning parties, so there was no need to hold a new election. However, that is not the point.

Another issue that we faced in Milton Keynes, which I believe was not shared in many of the other affected areas, was the time it took for the general election ballots to be counted. The Electoral Commission's guidelines—of course, they are just guidelines, as my hon. Friend made clear—suggest that the vote count should be started by 2 am on the morning after the election takes place. In Milton Keynes, due to the local election taking place on the same evening, the count began at 4.18 am, with the results announced at 8 am. Given the relatively small geographical area covered by Milton Keynes unitary authority, which is coterminous with the two parliamentary seats, the general view was that that was an unnecessarily long period to wait. I should emphasise that Milton Keynes is not a very big place.

Those instances highlight the fact that there are difficulties in holding more than one election on the same day—a view resonated by the returning officer of my constituency. Given the complications experienced in Milton Keynes, I should be grateful to know whether the Minister believes there is reason for concern and the potential for the same problems to occur again next May, when some polling stations may have to deal with three separate elections on the same day.

I would now like to focus my attention on an issue faced by several polling stations in Milton Keynes North and in 10 other constituencies around the country. It became apparent at 8.30 pm that large queues were forming outside three polling stations. The acting returning officer, John Moffoot, did well to follow procedures and was proactive in sending senior council officers to monitor the congested polling stations. He himself went to the Wyvern school polling station, which appeared to be the worst affected. With more than 150 people still queuing to vote after the 10 pm deadline, Mr Moffoot, with some concern for the safety of polling staff, decided to go against Electoral Commission guidelines and allow those in the queue at 10 pm to be issued with ballot papers after the 10 pm cut-off point.

It is my understanding that, at present, returning officers must follow strict guidelines on closing polling stations at 10 pm unless issued ballot papers are still being marked. That is the only circumstance in which ballots should be submitted after the deadline. It is interesting, though, that following the review carried out by the Electoral Commission, the returning officer for Milton Keynes North did not receive the same amount of criticism for allowing polling to continue as returning officers who closed polling stations at 10 pm received for disallowing voting by approximately 1,200 of the electorate around the country. I supported Mr Moffoot's actions and, indeed, the Electoral Commission's conclusions, but I believe that this case highlights a key area for concern, and a need for clarification or review of the law. To that end, I ask the Minister whether he believes that there should be a review so that Mr Moffoot would not again be put in a position where he is required to turn people away from polling stations even though they were queuing to vote before the 10 pm deadline.

The perception is that turnout at this year's general election was higher than in previous elections, but the reality in Milton Keynes is that it was not. Indeed, this year's turnout of 62.8% was relatively low compared with some previous elections; for example, in 1983 it was 74%, in 1987 it was 73%, in 1992 it was 81%—an all-time high for Milton Keynes—in 1997 it was 73%, in 2001 it was 63%, and in 2005 it was 64%. Given that, I fear similar occurrences in future elections if the problem is not addressed.

It is clear that some of the issues can be addressed without the need for legislation by ensuring careful choice of polling stations, although I understand that there are restrictions on which buildings may be used. The hon. Member for Manchester, Withington (Mr Leech) made a good intervention. He said that we simply cannot estimate how many people decided not to vote when they saw long queues at polling stations. On the basis of contacts that I had after the election, I would estimate that several hundred people in my constituency chose not to queue and vote. Once again, I am pleased to say that the result in Milton Keynes North was decisive, and I do not think that that factor affected the election result.

Mr Leech: There is certainly anecdotal evidence from constituents. One told me that there was a big queue when they turned up at the polling station at 6 o'clock. They went away and came back at 7, but there was still a big queue. When they came back at 9 the queue was even bigger, so they simply gave up.

Mark Lancaster: The hon. Gentleman makes the point that I wanted to make. It is clear that the problems faced in my constituency were not isolated incidents. Praise should be given to the Electoral Commission for its swift publication of the interim report on the problems faced in a few constituencies, but I believe that we should address the confusion and difficulties regarding the 10 pm cut-off to guarantee that those who wish to vote are able to do so. I would suggest to the Minister that the actions taken by Mr Moffoot in Milton Keynes to alleviate the problem were right, even though, in the eyes of the law, they were wrong.

10.6 am

Rehman Chishti (Gillingham and Rainham) (Con): I congratulate my hon. Friend the Member for Epping Forest (Mrs Laing) on securing this debate on such an important issue. I also congratulate her on eloquent and

passionate speeches on the topic on the Floor of the House yesterday and in this Chamber this morning. I concur with her when she says that elections are always well run in Epping Forest. I know that at first hand, as my researcher was an election agent in her borough prior to working for me.

The public must have confidence in our democratic process. Over the past 12 months, several issues have been raised regarding the conduct of elections. I would like to deal them in two parts: those that are election offences and those that are not. Election offences including impersonation, fraud, bribery and misuse of campaign expenditure are covered by several Acts of Parliament, and the Government are taking steps to help to protect against fraud by improving the accuracy of the electoral register. However, matters such as polling station failures and incorrect ballot papers are, in themselves, not election offences.

The Representation of the People Act 1983 states that it is the returning officer's duty

"to do all such acts and things as may be necessary for effectually conducting the election in the manner provided by those parliamentary elections rules."

That clearly covers both points.

Returning officers have considerable authority in their work. Although they take instruction from the Electoral Commission, they are under no obligation to follow its advice and are subject to little scrutiny. Returning officers are independent statutory office holders and are therefore accountable only to the courts. Action against returning officers can be taken only by means of a complaint to the police or by means of an election petition. The 1983 Act sets out the penalty for those, including returning officers, who are in breach of their official duties in parliamentary elections: a fine not exceeding level 5 on the standard scale, currently £5,000.

Key players in the political process are often reluctant to take action against returning officers for the following reasons. First, the returning officer is usually a community leader—for example, the chief executive of a council. Politicians and election agents are often reluctant to take action against such a person, particularly if the outcome is not guaranteed. Secondly, poor performance by a returning officer does not necessarily constitute a criminal or an election offence, and it is difficult to prove that someone has been in breach of their official duties. Thirdly, an election petition is expensive. It costs £5,000 to issue a writ, which can be issued only against one's opponent, not the returning officer. Fourthly, if an election petition is successful and the election is void, the electorate may feel that the candidate responsible for the petition is a bad loser, and the resulting by-election may see massive swings against them. The 1997 Winchester by-election is an example of that.

Returning officers should be more accountable for their performance. Introducing senior returning officers with enforcement powers, responsible for a geographical area, is a possible solution. It is important to remember that many issues have a simple solution. For example, on polling station failures, a risk assessment would foresee many problems, and procedures should be in place to deal with high volumes of electors and shortages of ballot papers. On incorrect ballot papers, showing a copy of the ballot paper to candidates or election agents before issue would reduce mistakes.

To sum up, existing legislation is sufficient to deal with the process of elections but returning officers should be more accountable. Action to prevent mistakes is far more productive than dealing with their consequences afterwards.

10.11 am

Mr John Leech (Manchester, Withington) (LD): May I add my congratulations to the hon. Member for Epping Forest (Mrs Laing) on her thoughtful speech this morning about returning officers and the conduct of elections? I am delighted to have the chance to speak this morning, mainly because, disappointingly, Manchester, Withington was one of those constituencies that was the scene of chaos on election night in May. The polling station at Ladybarn community centre was constantly on the news for days because someone had filmed the events there on a mobile phone. There were angry scenes, with more than 200 people questioning why they were not being allowed to vote even though they had been waiting at the polling station, for up to an hour in some cases, to exercise their right to vote.

In Manchester, Withington there were three main reasons for the chaos on election night. The first was an increased turnout, which was expected—but it was an increased turnout of those who were more likely to vote later in the day. If they had turned up earlier, they might have waited longer than they would normally but there would not have been the scenes of chaos that there were later in the day. That needs to be taken into consideration when we look at ensuring that everyone who is in the queue at 10 o'clock has the right to cast their vote. Obviously many people are unable to vote during the day, and if they have to vote late at night, even if they have to queue, they must have the opportunity to do so if they are at the polling station before 10 o'clock.

Mr Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman raises an important issue. If, as we learned in yesterday's debate, there is to be a drive for higher registration and it is successful, as I hope it will be, and more people are registered who previously did not vote because they were not registered and, therefore, are less likely to be disposed to vote earlier, the problem that he is outlining will probably increase in future elections. There will be not only people queuing to vote who are normally registered and have gone late because of social problems or work commitments, but an additional issue of previously non-registered voters turning up to vote late. Therefore, the problem that the hon. Gentleman has outlined will be much worse next time.

Mr Leech: I thank the hon. Gentleman for his intervention. The reality is that we do not know what will happen to people who have not been previously registered and we do not know whether, having been registered, they will be likely to vote, and if so, at what time. The issue needs to be considered. We must be ready for potential additional chaos late at night.

The second reason why we had chaos in Manchester, Withington was that some polling stations were expected to deal with too many people turning up to vote—way above the limit recommended by the Electoral Commission. That issue is being addressed in Manchester and, I am pleased to say, the council is acting on extending the number of polling stations to improve the situation.

[Mr Leech]

The third reason why there was a problem in Manchester, Withington was the dual election—one being a general election. In some parts of the country, people are used to general elections on the same day as local elections, but that has not happened in Manchester for a very long time. Considerable confusion and delay resulted. Some people were told, "Oh, actually, you've got two votes. You can vote in the local and general elections," but a significant number of people were entitled to vote in the local elections but not the general election, and that had to be explained to them because there was confusion. That number of people was probably significantly bigger in Manchester and other city areas.

From previous exchanges with the Minister, I know that I have not won the argument about the general election date being set in stone and separate from any other elections. I still firmly believe that the general election should not be held on a day when other elections or referendums are held, but the Minister does not accept that point. I am on to a loser there.

I wanted to speak in the debate today, not necessarily about the chaos on election night, but mainly about payments awarded to chief executives who act as returning officers at general elections. I confess that I was stunned to find out that running the general election as a returning officer was not in the job description of the chief executives of big councils. I do not want to target Sir Howard Bernstein, the chief executive of Manchester city council but, my constituency being within the boundaries of Manchester city council, he is the example I have. Sir Howard is an excellent chief executive and has done a great job for Manchester, but chief executives are well paid for the jobs that they do—the chief executive of Manchester city council earns significantly more than the Prime Minister—and yet a £20,000 bonus was payable to him for running the general election.

Given that at least 200 or 300 people missed out on voting in Manchester, Withington, I question whether any bonus was deserved. To his credit, Sir Howard returned 20% of his bonus, due to there being five constituencies in Manchester and the Manchester, Withington election not running smoothly—he returned the whole 20% for that constituency. However, I question whether any sort of bonus was justified if a single person in Manchester was unable to vote on general election day through no fault of their own, and there were clearly a significant number of people in that position. The chief executive in Sheffield forwent his entire bonus due to the chaos there.

Finally, there ought to be an assumption that the chief executive of a large council is the returning officer, and that should be part of their job description. There should never be additional payments simply for running an election and ensuring that we have democracy in our constituencies and our local authorities.

10.20 am

Mr Brian Binley (Northampton South) (Con): It is a pleasure to serve under your guidance, Mr Caton. I thank my hon. Friend the Member for Epping Forest (Mrs Laing) for obtaining this important debate. The standard and quality of our electoral system in terms of elections and compilation of the electoral register are central to the quality and credibility of our democratic system. It is good to see that the matter is treated seriously by so many people.

I have been a football player and then a supporter since I was about three, so I have a long history of being involved in football. I know well the moans about the decline in referees, and by golly they have declined over the years, but nowhere near as much as the professionalism of our electoral registration officers and acting returning officers. The quality of the people running our elections, through no fault of their own, has declined enormously over a long time. I have been involved in 14 general elections and many local government elections, European elections and referendums. My first election was in 1959, so I have a little knowledge about them. I have also been an election agent, and I have seen the decline.

I was so concerned about the organisation of my election in Northampton South that I wrote to the acting returning officer, who is also the chief executive of the local borough council, making a number of points. I want to highlight two and I shall do so briefly because I know that time is pressing.

There is no doubt that people are included on the register when they should not be. They are included because of the lax processes pursued by electoral registration professionals, and some of them voted. I know that that is a fact because we knocked on more than 40% of the doors in my constituency during the general election campaign. We had to because I was in the unusual position of fighting a Labour seat for the second time running, and we put in a lot of effort. The number of people we came across who, when we checked them out, were not qualified in any way to be on the electoral register was deeply worrying. When we checked our tellers' returns, we found that sizeable numbers of those people had voted. It is pointless to have an electoral register unless it is properly constructed and we abide by and take notice of it.

Iain Stewart: I have had examples in my constituency of people who have applied to reside permanently in the United Kingdom but are not yet full citizens using their presence on the electoral register as evidence that they are entitled to be here. I totally accept my hon. Friend's point that the electoral register's integrity is far from perfect.

Mr Binley: I am grateful for my hon. Friend's important intervention, which supports my point.

Nick de Bois (Enfield North) (Con): Is not part of the problem, as I found during the election, that if someone wishes to challenge a household's electoral registration there are only 21 days in which the returning officer can do so? In the heat of the work in the run-up to an election, that is effectively impossible.

Mr Binley: My hon. Friend makes an important point. The Minister should consider, and I hope that he noted it.

With postal voting we have created a frightening potential for corruption in our election system. If it were not so important, the inability to ensure good and proper elections through the postal vote would be laughable. There was a time when the whole construct of postal voting was carefully created and checked, and its efficacy

was understood and known to be absolutely within the prescribed limits. That time has gone because of the machinations of the previous Government, who did not understand what they were doing in that respect. We must all recognise the faults because the issue is more important than party politics. It is about the very basis of our electoral and democratic system—*[Interruption.]* I am happy to give way if the hon. Member for Rhondda (Chris Bryant) wishes to intervene.

Those two matters are vital, and there are many others. I want to describe from my experience the reasons for the decline. The business of electoral registration officers used to be a profession. People in local government offices did the job for years and years, and they had assistants who followed them and who had learned to do the job properly. We had the money to check whether a registration was valid by visiting the home of people seeking registration. The whole process was efficient, but that efficiency no longer exists because electoral registration has been downgraded dramatically in most council office structures, and the attitude seems to be, "Who will do the register this year, Fred?" It seems to be a last resort, and that is simply not good enough.

What can we do? My hon. Friend the Member for Epping Forest said that the Electoral Commission must be a more robust policing body. First, we must ring-fence the money that we allocate from national Government for the conduct of elections and registration. Money is being leached, and there is every reason why local authorities should so do. They are in trouble with money, but we must ensure that our money is used for the reasons for which it was designated. That means ring-fencing, and the Electoral Commission must be responsible for monitoring that money and ensuring that it is properly used for the purposes for which it was allocated. Secondly, we must spend money on training electoral registration staff and returning officers because the quality of their work has fallen, largely because the learning thread that goes from one officer to another no longer exists.

We must bring the law to bear much more. We must make criminal actions a higher priority in society. When someone cheats the electoral system, they cheat my vote and me. If we truly believe in a democratic process, we must ensure that the systems to undertake that democratic process are as viable and credible as possible, and they are not at the moment.

We have a good voting system, and I have made that clear in the House. It does not need to be tampered with for any reason, least of all for those that apply at the moment. The voting system is not broken, but the conduct of elections and electoral registration is a total mess, and if the Government had any sense they would recognise that democracy is in danger through those processes and not through the process of our electoral system.

10.29 am

Chris Bryant (Rhondda) (Lab): It is a delight to serve under your chairmanship, Mr Caton, and yet again to gather together this group of hon. Members who take an interest in electoral matters. No doubt we shall gather again this afternoon for the next round of discussions. I congratulate the hon. Member for Epping Forest (Mrs Laing). There are many things I do not understand about the Government, one of which is why she is not a Minister. She is extremely efficient, capable and competent, and she always makes her argument very well. Yesterday she got a little cross with me. I do not take any offence at that, although a lot of people do.

The basic message from the debate, which I hope returning officers will understand, is that many of us who are involved in politics as elected politicians worry that we are taking democracy somewhat for granted. We all worry about the fact that turnout has fallen, as the hon. Member for Milton Keynes North (Mark Lancaster) mentioned. Turnout rose slightly at the last general election, but it is still lower than it was in the 1980s and earlier. Now is not the time to rehearse those arguments, but in Wales turnout was consistently above 75% or 80%. Wales often had the highest levels of turnout, but lately they have been some of the lowest. That is a worry to us all.

It is all too easy for local authorities, which often make the decisions about funding for the democratic process, to take democracy for granted. A local authority might have to choose between keeping a swimming pool open, which will cost £100,000 a year, or doing a full canvass of every house to ensure that everybody who is entitled to vote is on the register, and that everybody who is not entitled to vote is not on it. Elected politicians at local level sometimes choose to protect the swimming pool rather than the democratic process.

I suspect that over the past few years, the whole anti-politics movement—to give it a name—has added to that problem. Too many people felt that all politicians of whatever political party were in it just for themselves, and that there was no point in voting because, in terms used by many comedians, "If voting made any difference, they'd abolish it." The issue of Members' expenses also fed into that, and that cynicism has weighed heavily on the political system over the past few years. That has fed into the presumption that money spent on the electoral register or on electoral processes was not money well spent. That is a mistake.

I am sure that we can all remember watching the first time that people voted in South Africa. There were queues not only down the street but round the block for days. People were camping out and waiting to vote. Watching people vote in countries such as Iraq or Afghanistan, where they might have been running terrible risks to do so, fills a lot of us with admiration. In the Balkans, boycotts of elections have sometimes been organised by one ethnic grouping, and it has been great to see turnouts that were significantly higher than many had anticipated. That is why the scenes that we saw in May were sad. It is fortunate—and only fortunate—that there was no constituency in which the number of people who we know were not able to vote was higher than the majority of the candidate who won. Therefore, we can be confident that that issue may not have affected the result.

The hon. Member for Manchester, Withington (Mr Leech) makes an extremely good point: we have no way of knowing how many people went to the polling station, saw a long queue and thought that they would come back later. Perhaps they came back later but still saw a queue and gave up.

Mr Leech: There is also the fact that there were local elections on the same day. I guess that in some constituencies, the result of the local election in a particular

[Mr Leech]

area was very close. It may be that some people were elected to local councils who would not have been elected if everyone had had the chance to vote.

Chris Bryant: The hon. Gentleman makes his point, and I hope that the Minister will be able to answer him on it. I will speak about combined polls a little later.

The Opposition tried to provide an answer to the issue of 10 o'clock voting with an amendment that was discussed last Monday. Unfortunately, not enough hon. Members felt able to vote for it. The Minister said that the problem with our amendment was that it introduced the concept of a queue into British legislation, and that that might be difficult to define. If the British Parliament cannot define a queue, I do not know which Parliament in the world would be able to do so. Many other places in the world have a system in which, for example, a person's finger is dabbed with indelible ink the moment that they present themselves, and that is the moment at which they are entitled to receive a vote. I am sure that many other ways could be devised. I hope that the Minister will look specifically at a way of ensuring consistency across the country.

The hon. Member for Milton Keynes North made the point tellingly: in some constituencies, the returning officer decided to be generous and to stretch the regulations in one direction, but in other constituencies they decided to be extremely strict about how they operated the system. That inconsistency around the country does not inspire confidence in voters. In subsequent elections, people might think that if it is 9.30 pm or 9.45 pm there is no point going to vote because there are always queues at the polling stations.

I do not want to be nasty to the Minister this morning—

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): Keep it for this afternoon.

Chris Bryant: I cannot keep it for this afternoon because I do not think that the Minister will be responding to the debate then. However, I thought that he was a little complacent about that element last Monday afternoon. He said that the issue was not an enormous problem and that there was not an enormous number of instances in which it had happened. The figure of 1,200 was suggested, but I suspect that many more people were affected. I suspect that in Hackney North and Stoke Newington alone more than 1,500 people ended up not being able to vote because of the situation. I hope that the Minister will return to the issue with some means of providing consistency around the country.

The inconsistency around the country applies not only to what happens at 10 o'clock but to a whole series of different issues. In part, that is precisely because of the reason adduced by the hon. Member for Epping Forest: although the responsibilities and powers are laid down in statute, a wide amount of freedom is given to the returning officers and there is little accountability. I agree with the hon. Member for Manchester, Withington that it is ludicrous that such a job is thought of as additional to the job of electoral registration officer, and that somehow people have to be additionally recompensed in order to perform their function when there is a general election. I think that it should be part of the standard job description and that no additional fees should be payable. It should be run of the mill and part of doing the job. Frankly, if someone does not do the job well, they should not remain in it. It should not be a question of getting extra payments.

Mrs Laing: It is worth going over that point again. The hon. Gentleman is absolutely right: not only is it not part of the job description of a local authority employee, but there is also a lack of accountability. The fee for doing the job comes from central funds, but there is no line of accountability to that. As we have seen, some people were paid perhaps £15,000 for administering matters this year. They got it wrong and were not required to pay a penny back.

Chris Bryant: The hon. Lady makes her point extremely well. I hope that the Minister will think about whether we need to look at the structure of how returning officers—in most cases, broadly speaking, an honorific title—and those beneath them are appointed.

In my constituency in 2001, the returning officer appointed himself because he wanted to announce the election result. Unfortunately, he could not speak Welsh. He decided that he had to make the announcement in Welsh first, despite the fact that remarkably few people in the Rhondda speak Welsh, and very few people in the hall spoke it. He certainly did not speak Welsh, so what he announced was virtually incomprehensible. The BBC immediately switched off and went somewhere else. We would be better off with the electoral registration officer, who is the person who knows the law best, being the returning officer. I am sorry if that means that we will be sacking all the high sheriffs and lord lieutenants of the land. I mean no disservice to them but it is a professional job that must be done on a professional basis.

Another point raised was about when the count should take place. I think that people like the drama of election night. It is fascinating that people are watching the BBC's 1970 and 1974 election programmes, which are now being re-shown. It is quite exciting thinking "I can't remember who won Plymouth, Devonport" or wherever. I had an Australian friend who was my lodger. This was a few years ago. He was fascinated by Australian politics and refused to watch any news for a week until his mother had sent him the five DVDs with the election television programme from Australia. It took even longer than it might have because the count takes a long time in Australia.

My point is that the drama of election night is very important and, as we saw in our election, all the more important because sometimes it can determine the feeling, when there is to be a hung Parliament, about how Governments may or may not be formed. That is why there should be consistency across the land. If there are combined elections, the general election votes should be counted first, and the count should not start at 4.19 in the morning and finish at 8 o'clock in the morning. That explains why the hon. Member for Milton Keynes North looked just a little weary by the time his election result came out. We should be moving to greater consistency in that regard.

That leaves us with the problem in relation to combining polls. If we are to go to a fixed-term Parliament when we already have fixed-term council elections and fixed-term

Assembly elections in Wales and Northern Ireland and for the Parliament in Scotland, we either decide that they will all coincide always, so that that is a fixed part of the programme as it is in the United States of America, where there are elections every two years, or we decide that we will not combine polls at all, because that is better. I think that it is a bit odd that we have elections on the first Thursday in May, because April is a pretty rubbish month to go campaigning. Chaucer got it right when he talked about April with its showers. Perhaps we should think about another month. I say that as someone who was first elected in June rather than May.

Obviously, it is more important that we hear from the Minister than that we hear further expatiations from me. I just hope that the issues of consistency around the country can be addressed, as well as the finance and the accountability of returning officers.

10.42 am

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): It is a great pleasure to speak under your chairmanship, Mr Caton. I add my congratulations to my hon. Friend the Member for Epping Forest (Mrs Laing) on securing the debate. As she correctly said, this is an area in which she has taken great interest over a considerable period, and she has spoken very well on it for our party. She slightly underplayed her role in her mini-triumph earlier this year when she persuaded the then Lord Chancellor to adopt her amendment, which brought considerable consistency—to pick up the point made by the hon. Member for Rhondda (Chris Bryant)—about counting. Those of us who were up for election and whose result was perhaps not as assured as that of the hon. Gentleman were grateful that the counts took place promptly and we had early results so that we knew our fate. My hon. Friend played a considerable part in that and has taken a great deal of interest in the issue, and we thank her for the opportunity to discuss these matters today.

It is worth saying, so that it is clear, that the administration of elections tåkes place at local level, as my hon. Friend set out. The acting returning officer is often, although not always, the local authority chief executive or another senior officer. They are responsible for all aspects of the election, including publication of the notice of the election and dealing with the nominations of candidates, ballot papers, polling stations, the counting, the arrangements for the count and the declaration of the result. Part of the tension when we are talking about accountability is about making it impossible for the people running elections also to have a stake in the outcome. The difficulty is about who is accountable.

That highlights one of the issues with the solution that my hon. Friend the Member for Manchester, Withington (Mr Leech) highlighted. If the task was made part of the local authority chief executive's day job, for which he is accountable to elected members of a local authority, there would be a risk in some places of political pressure and influence being exerted on the returning officer. That post is separate from the role of chief executive is so that political pressure is not put on that person. We do not want to lose that if we make any changes. My hon. Friend made a good point, but I am not sure that that is the right solution.

Mr Binley: There is a distinction between the returning officer and the acting returning officer, which we must not lose sight of. The returning officer is normally a volunteer, not a local government professional, and is guided immensely and totally by the acting returning officer, who is normally the chief executive and does the work. We need to make that distinction.

Mr Harper: I thank my hon. Friend for making that point. My hon. Friend the Member for Epping Forest paid tribute to the way in which the acting returning officer conducted the election in her constituency. It would be remiss of me not to mention that I was also fortunate that the acting returning officer in my constituency ensured that the polls ran very smoothly. Indeed, unlike at the last general election in 2005, when I had to wait until about 6 am for the result—albeit perhaps not as long as my hon. Friend the Member for Milton Keynes North (Mark Lancaster)—this time, the acting returning officer and her team made a declaration almost three hours earlier and I was the first Member of Parliament in Gloucestershire to be elected. I have told them that I shall expect that level of service from now on.

What I am describing can be done. It is worth saying that, across the country, with the exceptions that we have discussed, most of the general election counts and the process were very well conducted. The standard is very high. However, that is not to take away from the fact that there were difficulties.

My hon. Friend the Member for Epping Forest and other hon. Members drew attention to the problems that occurred on election day. I am referring to the queues at 10 o'clock. The Electoral Commission, in its report, made the point that that was largely to do with poor planning and poor contingency arrangements on the day. It is worth putting it in context. I am not being complacent or underplaying it, but there are 40,000 polling stations in the United Kingdom and there were issues at 27 of them. The reason why the Government hesitate before we rush off and legislate is that we want to see whether legislating would solve the problem and not create further problems. We want to see whether that is the right way to go. Without wishing to understate the problem, I just think that before we legislate, it is worth thinking about whether that is the right solution.

I will not go into the issue at length. As the hon. Member for Rhondda said, the House had the opportunity earlier this week, because of the amendment that he and his hon. Friends proposed, to debate the matter. The House did debate it and decided not to make the change to the law at this time, but we are considering the Electoral Commission's report and looking at the right way of solving the problem.

It is worth saying, though, that the law is clear. It has not changed; it has been the law for a considerable time. It is clear that a ballot paper should not be issued after 10 pm, so there is no reason why acting returning officers should be confused about that, and I know that the Electoral Commission will ensure that that guidance is clearly established before the next set of elections.

Mr Andrew Turner (Isle of Wight) (Con): Has the number of polling stations, particularly in urban areas, reduced and have they become larger?

Mr Harper: My hon. Friend puts his finger on a point that my hon. Friend the Member for Manchester, Withington raised. In Manchester, there were polling

[Mr Harper]

stations that covered too great a geographical area, or far too many electors were expected to vote in them. It is good to hear that Manchester city council has taken steps to address that. It is one of the issues set out in the guidance from the Electoral Commission. It lays out broadly how many electors should be going to a particular polling station, precisely so that if there is a high turnout, that number of electors can be processed smoothly. It is good to hear that in places where we know that there were issues, they are being dealt with. I do not know overall across the country whether there has been a reduction in the number of polling stations.

I suspect that one problem was that given that turnout was lower at the last few general elections and at other elections, as the hon. Member for Rhondda highlighted, some acting returning officers made assumptions that turnout would continue at a low level and were caught unawares when, perhaps because people were more engaged in the election, they took part in it in greater numbers.

Chris Bryant: I am sure that the Minister is absolutely right, and I think that another assumption the officers made was that many more people would vote by post. That has undoubtedly happened: in my constituency we have lost, I think, eight polling stations since I was first elected in 2001, for all sorts of reasons that are pretty much insurmountable. Virtually everyone in those old polling districts now votes by post, notwithstanding the points made earlier by the hon. Member for Milton Keynes South (Iain Stewart).

Mr Harper: The hon. Gentleman makes a good point. I suspect that in some areas people have made assumptions about postal voting. Because of the problems that we have had with such voting at previous elections, quite a lot of my constituents who had decided to vote by post have now gone back to voting in person, partly because they like doing that but also because they feel that it is more secure. Acting returning officers need to take that into account.

Mr Binley: My hon. Friend has touched on a very important point. People did not receive their postal votes until after the time allowed for the receipt of them. The returning officers have to stick to the rules, and that is why monitoring is necessary.

Mr Harper: My hon. Friend makes a good point, and it comes back to accountability—an issue that has been mentioned by a number of Members. I would say a couple of things about that, and about the payments. The returning officer's job is separate from and in addition to their normal duties, which ensures that in carrying out those duties they are not accountable to politicians, who might have an interest in the election. Returning officers are not paid for just the one night; a lot of planning and preparation goes into ensuring that elections run smoothly. Indeed, some returning officers appoint deputies to help them, and with whom they share the fees. The Government have issued guidance in relation to national elections, which recommends that that happens.

One of the things that Members have highlighted is the issue of what happens if things go wrong: what is the accountability? In Manchester, the council's chief executive, who is the acting returning officer, has effectively taken the view that because there were problems in one of the constituencies—Manchester, Withington—he would not take his fee for that. Some other returning officers have also taken that view. Members have suggested that someone should have the ability to make such a judgment, and to not pay the fee. We will be experimenting with that idea, to some extent, in the provisions in the Parliamentary Voting System and Constituencies Bill.

Regarding the referendum, the chief counting officer—the chairman of the Electoral Commission—is responsible for its conduct, and appoints regional counting officers and counting officers. Those officers will be the same people as the returning officers, but we will—if Parliament agrees—give the chief counting officer the ability to withhold the fee for their duties in conducting the referendum, if performance is not adequate. We will consider whether that has the desired effect, and will review the measure after the referendum to see whether we might want to consider it more widely.

Mrs Laing: I thank the Minister for his kind remarks earlier. I have for the first time just seen a good point—a plus point—to having the referendum. The Minister will appreciate that that measure could be a sort of pilot scheme for a system of accountability for returning officers, and that would be very welcome.

Mr Harper: I am very pleased that views, certainly on the Government Benches, are hardening in support of our Bill. I look forward to further progress today.

It is worth noting that, although my hon. Friend the Member for Epping Forest suggested that the Electoral Commission should have more powers to direct returning officers in their conduct of elections—not referendums—the Electoral Commission itself has called for greater accountability, but not for greater powers of direction, with the exception of the referendum, the outcome of which they are responsible for. We will think further about that, but we will first see how the step of making the Electoral Commission responsible for the fee for the referendum works—the pros and cons—and whether it might be something to bring in more widely for returning officers. The difficulty would be in deciding to whom they would be accountable, and who would make that decision. We will, however, look at that further, and it might be something to debate after the referendum.

In the six minutes that remain, let me just deal with some of the other issues that my hon. Friend the Member for Epping Forest, and other Members, raised. One issue that she raised, which was supported by my hon. Friend the Member for Northampton South (Mr Binley), was the hypothecation or ring-fencing of funding. My hon. Friend the Member for Epping Forest made two points. For national parliamentary elections, the funding, as she correctly said, is ring-fenced. It comes directly from the Consolidated Fund and the Government say to returning officers that for properly incurred expenditure to do with the election the money is payable from the centre. That is clear, and my hon. Friend made it clear.

The other point is about the money for electoral registration. At the moment, that money is not ring-fenced; it is part of the revenue support grant. I have heard a number of Members state that the money in that revenue support fund is not used for electoral registration, but there is no evidence of that. If people were to bring forward evidence, we would look at the issue very seriously. The hon. Member for Rhondda mentioned those points as well. Given that the electoral registration officer is a senior member of the local authority officer team, the acting returning officer responsible for delivering the elections is often the chief executive, and the other decision makers in local authorities are councillors who have to get elected, I do not understand why we should think it likely that that set of individuals would de-prioritise spending on elections, since that is something in which we as politicians have a great interest. So, I am not convinced intellectually that there should be a problem, and there is very little, if any, evidence that that is happening—if there is, the Government will look at it. It is not just a Treasury rule; it is the general view of this Government that we should allow local authorities to make judgments about how much money needs to be spent in different areas, although they do have legal duties to ensure that elections are well conducted and that the registration system works well.

As we roll out individual voter registration, I hope that we can tackle both sides of the coin. We can deal with the problem of people who are on the register but should not be—a number of Members mentioned that this morning—and, equally importantly, we can look at people who are eligible to vote but are not on the register. The resources issue is important, and I have written to every local authority chief executive about our data-matching pilots. I encourage Members to encourage their local authorities to participate. We hope to enable local authorities to use other public data sources to identify people who are eligible to vote but not on the register, or the other way around, so that they can target them and use limited resources more effectively, to ensure that the register is both accurate and complete. The funding for the pilots will be met from central Government. I encourage Members, particularly if they feel that there are problems in their areas, either with accuracy or completeness, to encourage their local authorities to participate. I hope that that reassures my hon. Friend the Member for Gillingham and Rainham (Rehman Chishti), who raised some of those issues.

I have dealt with some of the issues raised by my hon. Friend the Member for Manchester, Withington. It is good to hear that the issue of the number of polling stations has been dealt with. He raised some very good points about the combination of elections, and about a differential franchise between the local, European and parliamentary franchises. We are alive to that issue, with the combined election and referendum that we hope to see next year, and one reason why we have been working very closely with the Electoral Commission and with those responsible for delivering elections is to ensure that there is clear guidance. In their planning for the referendum and the elections, the Electoral Commission and acting returning officers will take exactly that into account, to ensure that in parts of the country where they are not used to such a combination there is clear guidance and clear planning, to avoid those sorts of problems.

Finally, the issue of combination, which the hon. Member for Rhondda raised, is interesting, and we in the House need to think about that more widely. There is a view that no elections should be combined, but given that the Government are looking at more fixed terms, including a fixed term for this Parliament, and are also considering having more elections—for police commissioners for example—it would be difficult to have all those elections on separate days. It is worth thinking about the argument, "If you're going to combine them you should go for it big time and make sure it's well done," and considering whether we effectively have a big democracy day in the same way as they do in the US, where everything is on the same day. It would be helpful if Members thought about that, and I am sure that we will get the opportunity to debate it in due course.

This has been a good debate. We have touched on a number of issues that are very important to Members, and I once again thank my hon. Friend the Member for Epping Forest for enabling us to have the debate. I look forward to debating with, or listening to, her this afternoon, when we continue consideration of the Parliamentary Voting System and Constituencies Bill.

Independent Financial Advisers

10.59 am

Harriett Baldwin (West Worcestershire) (Con): It is a great pleasure to serve under your chairmanship, Mr Caton. I hope the Minister will forgive me for holding this debate on a day when he probably has quite a few other things on. As he knows, however, such debates are a bit of a lottery, and I was not expecting mine to come up today.

According to the Library, this is the first time that the regulation of independent financial advisers has been debated in a Chamber of the House, and we have to ask why. Colleagues on the Treasury Committee discussed the topic yesterday, and I have put my toe in the water by asking for a 30-minute debate today. Given the interest that I have encountered in the issue—I have had a binder full of correspondence since the debate was announced last Wednesday—I anticipate that this is not the last that we will hear of it.

Mark Garnier (Wyre Forest) (Con): The interest that I have encountered is certainly unprecedented, and I too have a very large binder. Will my hon. Friend work with me to secure a Back-Bench business debate in which we might have an opportunity to debate the issue for up to three hours on the Floor of the House?

Harriett Baldwin: Yes. I thank my hon. Friend for that suggestion and I would be delighted to support it.

IFAs are regulated by the soon-to-be-abolished Financial Services Authority, the independent statutory regulator set up by the previous Government. Banking supervision is to return to the Bank of England, while many other regulatory functions will go to a new consumer protection body. Thus, this seems an opportune time for the House to debate some of the implications of those policies and some of the functions involved.

Fewer people are benefiting from defined-benefit pension schemes. More individuals are being asked to contact an IFA to obtain advice. Many will receive lump sums from an inheritance or perhaps a redundancy payout, and they will need professional advice to make the most of them. With auto-enrolment beginning in a few years' time, people will also have to decide whether they need to opt out. Many younger people will leave university with student loans. Many older people will need to buy annuities or to make arrangements to pay for long-term care. All those transactions require some financial advice.

Ian Lucas (Wrexham) (Lab): I previously worked as a solicitor and employed an independent financial adviser. Does the hon. Lady agree that it is better to receive advice from an independent financial adviser than a tied agent?

Harriett Baldwin: There are indeed advantages, and I thank the hon. Gentleman for his helpful intervention. He obviously has a lot of experience of dealing with the sector.

It is estimated that there are about 45,000 IFAs in the country, many of whom are sole traders.

Charlie Elphicke (Dover) (Con): Should those tens of thousands of small traders not be encouraged to use their entrepreneurialism to help people save, rather than being squashed by the dead hand of unthinking regulation?

Harriett Baldwin: I thank my hon. Friend for that interesting intervention. I shall come to precisely that point in a moment.

The market for financial advice suffers from comparatively low consumer trust. Consumers find it difficult to engage with the financial services industry—banks are not exactly the most popular institutions in the country at the moment. Economists would describe buying financial products as a transaction in which consumers have asymmetric information; in plain English, the buyer knows a lot less about the product than the seller. There is therefore a need for proper independent advice.

Along with banks, IFAs have been guilty of selling certain products because they give a better commission. Like banks, IFAs have been found to have mis-sold private pensions to public sector workers. Like banks, they have mis-sold high-income precipice bonds. Often, they have sold products that simply performed badly or carried high charges. There is no doubt that the industry's reputation could be improved.

Jesse Norman (Hereford and South Herefordshire) (Con): My hon. Friend mentioned the Treasury Committee, and it may be of interest to note that I was in the Committee yesterday when it talked about this issue. Interestingly, the response from the Association of Independent Financial Advisers and the Association of Private Client Investment Managers and Stockbrokers was that the retail distribution review, having started with high ambitions and high principles, not only ran four times over cost, but conducted a somewhat ineffective consultation. I put the question whether, in that aspect at least, it had become a bit of a fiasco, and the witnesses concurred, very much to my surprise. My hon. Friend might want to bear that in mind in future discussions.

Harriett Baldwin: I thank my hon. Friend and neighbour. He is a distinguished practitioner and member of the Treasury Committee. I am very interested to hear about the evidence yesterday.

We should not underestimate the costs of mis-sales to consumers. The FSA's cost-benefit analysis assesses the cost to consumers of the pensions mis-selling scandal at £45 million per annum. In reaction to such circumstances, the FSA has spent the past several years consulting on how to address the issues involved. I share its goal of improving consumers' perception of the industry and access to high-quality investment advice.

Mark Pawsey (Rugby) (Con): Does my hon. Friend agree that the new regulations will raise the bar in terms of the standard of advisers, which means that there will be fewer financial advisers in future and that individuals' ability to seek advice will be restricted, not enhanced?

Harriett Baldwin: My hon. Friend raises an important point, and I will come to that.

The FSA has come up with proposals to address the issue. They are close to final, and the board is likely to take a decision in December. Under the current plans, the proposals will be implemented by the end of 2012. As they stand, the proposals are known as the retail distribution review. As colleagues have suggested, they

raise real questions about the role of regulation and the laws of unintended, and indeed intended, consequences in terms of regulation.

Andrea Leadsom (South Northamptonshire) (Con): Is it not also true that not only will there be a reduction in the number of IFAs, but many of those who have been in the industry for a long time, who are very experienced and who understand the market and customers very well, will unfortunately inadvertently fall foul of the regulations?

Harriett Baldwin: My hon. Friend, who is also a member of the Treasury Committee, makes an extremely important point, which I will mention in a moment.

The impact of the proposals has been brought to my attention by a range of independent financial advisers, who are also constituents. Acting independently of one another, they all came to see me in my advice surgeries. Under the RDR proposals, each IFA should pass a set of exams and then spend at least 35 hours per annum on continuous professional development. Hon. Members should note that the requirement is 35 hours and that 34 hours would not be acceptable. IFAs also need to obtain a statement of professional standing from an accredited body. Someone who, today, is a qualified and approved IFA but who does not meet those requirements by 31 December 2012, will no longer be able to practise his or her profession, despite many years' experience.

Mr David Nuttall (Bury North) (Con): Is not the problem with the RDR that many of our constituents will be left without appropriate financial advice because of the introduction of the new rules? Often it is the most experienced IFAs, with the most years of experience, who will be forced out of the profession.

Harriett Baldwin: My hon. Friend makes a good point, which I am about to make myself, so I thank him for his helpful intervention.

Advisers will have to charge explicitly for their services and will not be able to accept commissions. Oxera, the market research firm employed by the FSA to assess the costs and benefits of the changes, expects the net present value of the compliance costs to the industry to reach between £1.4 billion and £1.7 billion. Worryingly, the estimate in 2008 was £600 million. That cost will be passed directly to consumers. The latest estimate represents an astonishing 180% increase.

Oxera expects the increase in compliance costs to be passed on to consumers, so they will pay for the changes. Charges will be higher, so sales of financial products will decline. The majority of adviser firms expect a reduction in turnover. Consumers with smaller amounts to invest are much less likely to seek advice if they have to pay for it explicitly. Smaller firms of IFAs are the most likely to exit the market.

Ben Gummer (Ipswich) (Con): We all want greater transparency in IFAs' charges, but I am concerned about the direction in which the RDR is going, because of precisely that point. If we go down that route we shall restrict financial advice to the very wealthy, and do nothing to reverse the appalling savings ratio that we have inherited.

Harriett Baldwin: I agree, because according to Oxera's survey for the FSA, 25% of firms are very or quite likely to leave the market. That will reduce access to advice for those living in rural constituencies such as mine. It will reduce access to advice for those with smaller amounts of money; the charges for explicit advice will be for those with higher sums of money.

Glyn Davies (Montgomeryshire) (Con): Does my hon. Friend agree that there will be a particular effect on rural areas? I live in a rural area, where nearly all the financial advisers are small, one-person businesses. The imposition in relation to costs and time is particularly onerous for them. Many will simply close and the service in rural areas will disappear.

Harriett Baldwin: Yes, I agree. In London it does not really matter if one person goes out of business—there will be lots more financial advice available; but in rural constituencies such as mine and that of my hon. Friend there will be a significant impact on access.

The IFAs in West Worcestershire who have come to my constituency advice surgeries have also raised concerns about the exam. Most of the advisers I have seen have been—I know we should not mention age—in their late 50s or 60s. Speaking for myself—and obviously I am still very young—I am not as good at taking exams now as I was when I left university. That does not mean that I have not accumulated something else over the years. I hope that I have a little more wisdom and experience than I had then.

Mr Robert Buckland (South Swindon) (Con): I have spoken to many local IFAs in my constituency and elsewhere, who provide localised, personal services to individuals who may not be of great net wealth, as my hon. Friend the Member for Ipswich (Ben Gummer) said. Does my hon. Friend agree that asking them questions about international arbitrage and the derivatives market is hardly relevant to the practice they have carried on for many years?

Harriett Baldwin: Indeed, that is a helpful intervention. I received a letter from someone in the north of England who was concerned about having to learn a lot about non-domiciled investors, which they did not think was very relevant in Sheffield.

In financial markets wisdom and experience are valued. Someone who has lived through a boom and bust cycle in the past is much less likely to believe that the latest investment fad will defy the laws of investment gravity. Someone who has seen a few economic cycles is much more likely to understand the ravages of inflation on savings. Someone who has been to a range of conferences over the years is more likely to know when something is really too good to be true. No exam can test that. Yet it is those experienced IFAs, who are often sole practitioners, who will find it hardest to take the time required to pass the specified exams.

George Hollingbery (Meon Valley) (Con): Is not the situation also exacerbated by accounting rules? Being compelled to write off goodwill in one year, it is very difficult for groups of IFAs to acquire the business of smaller IFAs, which compounds the problem.

Harriett Baldwin: My hon. Friend raises an interesting point that I had not even thought of.

The experienced IFAs, who are often sole practitioners, will find it hardest to pass the exams. However, someone who has just graduated from university with a bachelor's degree in financial markets—and I am not knocking that—will be immediately accredited by certain institutions. In the full file that I have received in the past few days are stories from experienced IFAs with unblemished regulatory track records, years of experience, happy clients and no complaints. Yet as a result of the rules, if they do not pass the exams they will not be able to ply their trade on 1 January 2013.

Esther McVey (Wirral West) (Con): I thank my hon. Friend for securing the debate. I have had many letters from concerned constituents about it. Independent financial advisers feel that they will be put at a substantial commercial disadvantage by the new rules.

Harriett Baldwin: There is an important point to be made about how some of the larger organisations, and indeed some banks and bancassurers, will most readily be able to have their staff trained for the exams. However, that raises the question whether the exams will really test the skills needed by a good financial adviser. In the investment world, experience is valued and the FSA is imposing on the market a one-size-fits-all, prescriptive approach to education, at great cost to consumers, in return for a modest benefit.

I have written to the chief executive of the FSA and to date have received a letter, beginning, "Dear Mr Baldwin", simply reiterating the FSA's consultation paper conclusions. I would like to ask the Minister to answer a few questions. The FSA is the independent statutory regulator. However, it is answerable ultimately to the Treasury. Does the Minister believe that it is proportionate in the present case to impose a regulatory burden of £1.7 billion on consumers? Is the Minister concerned that up to 25% of smaller advisers are likely to leave the industry, handing a competitive advantage to banks and bancassurers? Is he convinced that the banks will not be able to find a way to reward employees for pushing certain products? Does he share my concern that the FSA's own impact assessment suggests that those who get reduced access to advice are likely to be the smaller, poorer consumers in more remote areas?

Does the Minister think that there might be a more proportionate way for the FSA to achieve its objectives? For example, IFAs who have passed exams could add the letters of qualification to their business cards. Consumers could then be educated and could choose an unqualified adviser if they preferred, but would come to know over time that there was a brand to the qualification.

Jesse Norman: There is also a simple solution for firms of more than one person, which is that the senior member can sign off on the work or qualification of the person who has not received formal accreditation. That allows for the sharing of liability, the preservation of standards within the firm and the guarantee of good quality to the customer.

Harriett Baldwin: I thank my hon. Friend for that helpful suggestion.

I would also like to ask the Minister how changing from commissions, which are currently exempt from VAT, to advice, which will attract VAT, will not add a further cost for consumers.

Andrew Bingham (High Peak) (Con): On the subject of commissions, the IFAs in High Peak who have spoken to me are concerned that removing the option of commission and replacing it with up-front charges will prevent people from getting the independent financial advice they need. Conversely it will prevent IFAs from taking the exams, because of the downturn in work. That means many people will not get the independent financial advice they will need.

Harriett Baldwin: Yes, that is a question to be considered as well.

Does the Minister really believe that consumers should not be allowed to choose whether they pay explicitly for advice or whether they pay through commission? Does he believe that it is consistent with UK legislation retrospectively to change the qualification regime for a whole class of practitioners? Finally, does he agree with one commentator, who described the RDR as

"a sledgehammer to miss a nut"?

11.18 am

The Financial Secretary to the Treasury (Mr Mark Hoban): I think that that commentator was my right hon. Friend the Member for Wokingham (Mr Redwood).

I congratulate my hon. Friend the Member for West Worcestershire (Harriett Baldwin) on securing the debate. She said that it is the first debate we have had on IFAs for some time, which surprises me given the amount of interest it has generated and the volume of correspondence that hon. Members received during the previous Parliament about the RDR.

The structure of regulation in the UK means that regulation is the responsibility of the FSA, not the Treasury. Treasury Ministers cannot dictate to the FSA how it should do its job. That might seem to my hon. Friends an attractive idea in the present circumstance, but they may be able to think of other circumstances where it would be less attractive. Today of course we are announcing the settlement in relation to Equitable Life. Those losses arose when the Government were responsible for the regulation of financial services, so do not be tempted down the route of suggesting that the Treasury should do all financial regulation.

Access to high-quality and independent financial advice is vital to increasing confidence in the financial sector and to ensuring that people are encouraged to save, plan for the future and make appropriate choices. As my hon. Friend said in her speech, the impact of receiving poor adviser advice can be financially disastrous for the consumer. We do not need to go far to find evidence of that—look at cases of widespread mis-selling of products such as pensions and endowments and, more recently, of structured products.

The Financial Services Authority's view is that the regulation of independent financial advisers, in particular through the retail distribution review, is essential in rebuilding trust in the industry when confidence in financial services is at an all-time low.

Dan Rogerson (North Cornwall) (LD): The Minister is clearly outlining that risks are involved in the advice given by independent financial advisers. Does he agree that a risk-based approach, which is responding to complaints and which might require longer-standing financial advisers to undergo retraining, could be a better way of tackling the issue?

Mr Hoban: That is an interesting point, but my hon. Friend should bear in mind that with some products, which might be long term, it can be some time before an issue emerges. If people buy a product in their 30s—a pension product, for example—they might only find out in their 60s that they had been mis-sold something. There is a real issue about looking at complaints records in that way.

The retail distribution review aims to address the structural problems in the distribution of retail financial products, such as conflicts of interest, transparency and professional standards. Although the RDR is the responsibility of the FSA, I fully support its aims—all colleagues should support those objectives. I hope that the RDR will lead to increased confidence, simplicity and clarity in the financial advice sector.

On professionalism, hon. Members are familiar with the fact that the rules seek to ensure that all financial advisers adhere to common professional standards, including an increased minimum qualification level, effective maintenance of knowledge and subscription to a code of ethics. The current minimum financial adviser qualification is at the same level as a diploma in shift management offered by McDonald's. We should all reflect on that for a moment: the products being sold by IFAs are infinitely more complex and more long-lasting in their effect than a Big Mac.

The rules aim to improve trust and the service offered to consumers. Consumers will have confidence that their financial adviser is up to the job. Investment advice will be seen as a professional activity, financial advisers will have a new status and fresh talent will be attracted to the industry. The FSA reports that, rather than being put off by studying, many financial advisers are going on to obtain more advanced qualifications than those required by the RDR. One of my constituents, who is an IFA, has said that when the FSA raised the minimum bar he wanted to go even further, to demonstrate that his qualifications, knowledge and technical expertise went beyond those of his peers. The FSA also noted that take-up for financial planning degree courses has increased.

I know that many financial advisers have concerns about meeting the increased qualification standards required by the RDR, but almost half of advisers already meet the required level, with two years to go before the RDR is introduced.

Many financial advisers feel that the new rules should be "grandfathered," so that those advisers with experience are exempt. However, how do we know how good those advisers are? Someone might have been in the industry for some time, but is that necessarily a guarantee of the technical expertise and quality of advice?

Mr Nuttall *rose—*

Mr Hoban: I only have seven minutes left and my hon. Friend the Member for West Worcestershire gave way quite a lot, so I would like to make some progress.

The existing qualification requirements for advisers focus mainly on knowledge, whereas the new higher level is primarily about understanding and applying that knowledge, which are core skills for every adviser to demonstrate. The result is a level playing field where consumers can have confidence that their adviser meets a required standard.

IFAs are not the only people who have an interest in this debate. The consumer group Which? welcomes the FSA's increased standard, as it does not feel that the current qualification level is sufficient.

Advisers are required to maintain competence under the FSA's current rules as part of their approval conditions, and so those advisers that have actively engaged in maintaining competence by keeping up to date with market developments should not have to commit a significant amount of time to study. Continuing professional development can be used to fill any gaps between existing and revised examination standards, and financial advisers can opt to undertake an alternative basis of assessment, instead of a traditional written qualification. That addresses one of the points made by my hon. Friend the Member for West Worcestershire, about how someone who is slightly long in the tooth, as I am, might not be as exam-ready as someone straight out of university. The alternative assessment might well help advisers in such a situation.

On adviser charging, at present financial advisers earn different amounts of money as commission payments, depending on which particular firm they recommend a product from and on what product they recommend. That creates a potential conflict of interest which can be damaging to consumers and undermines trust in the investment industry. The RDR rules on adviser charging are designed to tackle the risk, as well as the perception that commission paid by product providers might bias advice.

FSA consumer research also found that only half of respondents understood how the value of their product would be affected by commission. To add to that, in October 2007, Which? conducted a survey of IFAs and found that 82% of advisers failed to explain the document on the key facts about the costs or to have a meaningful discussion with their client about how advice would be paid for. There is a big issue to be addressed—getting people to understand how they are paying for advice at the moment—and IFAs have a role to play.

It should be noted that consumers already pay for advice, through the commission structure in their product. We are not doing anything new by ensuring that consumers know how much advice costs. It is important that consumers understand the value that good financial advice can add and that we create a much more transparent market in which advisers compete on cost and quality. That is a good outcome for consumers.

My hon. Friend mentioned how banks reward employees for pushing certain products—I understand her point—and the FSA is to look into how the reward structures of in-house sales staff in banks affect their performance.

On ability to pay for advice, we need to bear in mind that not enough people are in receipt of financial advice. That is one of the reasons why our party, in opposition and now as part of the coalition Government, has been able to support the Consumer Financial Education Body, the introduction of a social responsibility levy on

[Mr Hoban]

the financial services sector and the funding of a free national advice service, which will help people review their financial affairs regularly, plan ahead and ensure that they hold appropriate products. Such measures will help to tackle some of the advice gap. I hope that the industry will work in partnership with the CFEB and the Government to ensure access to financial advice.

A number of my hon. Friends raised the issue of the disproportionate impact of RDR on small firms. I appreciate that concern. Smaller IFA firms, in remote areas in particular, will feel the impact, and they are more likely to struggle to meet the challenges of the RDR proposal, unlike the larger IFA firms and the banks, and instead might decide to exit the market. However, the RDR will apply to all advisers in the retail investment market, not just to IFAs.

Although the change will bring challenges in the short term, it is important that we see the advice sector grow and strengthen in the long term. New and existing firms can increase supply in the long term to meet that demand, and indeed the FSA has found that a larger proportion of the costs of the RDR will be borne by larger firms.

In respect of the costs being passed on to the consumer, it is true that with the RDR come implementation costs. The Oxera research commissioned by the FSA found that such costs could translate into higher prices placed on consumers in the short term. However, over the longer term, it concluded that the higher prices could be competed away through increased transparency of prices, encouraging consumers to shop around.

I could respond to many more issues. I will write to my hon. Friend the Member for West Worcestershire on RDR and tax issues.

We all want to ensure that consumers have access to good-quality advice, delivered in a transparent and professional way, so that people understand what they are buying and have paid for. I believe that that will be taking a major step forward in improving the financial outcomes for our constituents.

11.30 am

Sitting suspended.

Ahmadiyya Community

[ANNETTE BROOKE *in the Chair*]

2.30 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): Let me start by apologising for any words that I may pronounce incorrectly. No insult is intended, and I stand to be corrected on my pronunciation. For someone with a name like Siobhain McDonagh, that is quite a thing.

Britain's Ahmadiyya Muslims work hard and contribute greatly to this country. Their belief in peace and religious tolerance is an example to us all, and is to be expected from a community whose motto is, "Love for all and hatred for none." Their fifth spiritual head, Mirza Masroor Ahmad, lives in the United Kingdom, and their headquarters are in south London. Indeed, one of the world's biggest Ahmadi mosques is in Morden. It has capacity for 10,000 people, which means that I have many Ahmadi constituents, as do many neighbouring seats. I am pleased to say that we now have the backing of enough parliamentarians to start up an all-party parliamentary group for the Ahmadiyyan community, and we will hold our first ever meeting in the next few weeks.

In my experience, my Ahmadi constituents are well-educated, cultured and have a sophisticated and peace-loving approach. I am therefore delighted to be granted this opportunity to talk about the Ahmadiyyan community. I understand that this is the first ever parliamentary debate specifically to discuss the Ahmadiyya faith, and it is a great honour to be leading it. However, I am extremely sorry to bring this community's concerns to the House at this particular time. The circumstances that led me to ask for a debate are extremely sad. On 28 May, nearly 100 Ahmadiyya Muslim worshippers were brutally murdered in two separate attacks in Lahore. However, what makes the story especially poignant is not just the fact that the Ahmadi are so peaceful but that their murderers were also Muslim. What I hope to do today is to examine why the attacks took place, then ask whether there is anything that we in Britain and the wider community can do to prevent such atrocities happening again in the future. Finally, I want to assess what the implications are for Britain of how the Ahmadiyya community in Pakistan is treated and what we can do about it.

To begin, I need to say a few words of introduction about the Ahmadiyyans. Despite the fact that they have translated the holy Koran into more than 60 languages, span 195 countries and have more than 15,000 mosques and a membership exceeding tens of millions, theirs is a faith that is little known outside their community. The Ahmadiyya Muslim community was founded in 1889 and arose out of the belief that the long-awaited Messiah had come in the person of Mirza Ghulam Ahmad of Qadian. Ahmad claimed to be the metaphorical second coming whose advent was foretold by Mohammed. Obviously, that contradicts the view of mainstream Muslims who believe that Mohammed is the last prophet. Nevertheless, the Ahmadiyya Muslim community is a very peaceful religion. They believe that there are parallels between Ahmad and Jesus, as God sent both to end religious wars, contend bloodshed and bring peace. For

instance, they reject terrorism in any form. Ahmad declared that jihad by the sword had no place in Islam. Instead, he wanted his followers to wage a bloodless, intellectual jihad of the pen to defend Islam.

In a similar vein, Ahmadis believe that theirs is the only Islamic organisation to endorse a separation of mosque and state and to champion the empowerment and education of women. Ahmad also warned his followers not to engage in irrational interpretations of the Koran or to misapply Islamic law. In Britain today, we regard such attributes as modern and tolerant. However, those values are not shared by some other Muslim traditions, particularly those with a more fundamentalist viewpoint. For such fundamentalists, belief in a false prophet is heretical enough, but for the Ahmadiyya Muslim community also to follow teachings that fundamentalists believe are wrong is adding insult to injury. Consequently, Ahmadis have long faced persecution. Their first martyr was killed in custody in 1901, and it is estimated that there have been about 200 deaths in total. Of course, religious disagreements have cost countless lives over the years throughout the world. Religions have a long and very unhappy history of attacking each other for worshipping the wrong prophet, even much closer to home than in Pakistan.

I am a Catholic and we are as guilty as anyone. A Catholic pope promised heaven to mediaeval thugs who took part in murderous crusades against followers of a prophet whom they believed was false—Mohammed. That period of history continues to haunt us. This country is not immune to using discrimination against religions we have not liked, with Catholics on this occasion often being the victims. It is only a few years ago that I helped to change the law to allow former Catholic priests to become MPs. Although that law was a throwback to a much earlier time, there are, even in our more recent history, examples of discrimination of which we should not be proud, particularly in Northern Ireland. It is hard therefore to stand here and lecture other countries about their practices, and we need to remain humble. The fact that religions have been persecuting each other for centuries does not make it right, especially in Pakistan where extreme groups such as the Taliban are already very active in creating a lot of volatility.

We are lucky in this country in that, on the whole, our religions can carry on side by side without conflict, respecting each other's right to worship. In Pakistan, most mainstream Muslims are horrified that anything could happen to their fellow countrymen just because they have a different religion. They are as shocked as we are by attacks such as those in Lahore. However, discrimination is an everyday reality for many Ahmadis living in Pakistan, and it is embedded in the Pakistani constitution.

Pakistan's founder, Mohammad Ali Jinnah, may have said that the country should be a secular state in which all were equal and religion was no business of the state, but today's Ahmadis do not enjoy equality. Pakistan was created in 1947. In 1948, Major Dr Mahmood Ahmed was lynched by a mob at Quetta. In 1950, Ahmadis were murdered in Charsadda, Okara, Rawalpindi and Mansehra. By 1974, riots and killings, attacks on mosques, assaults, arson and looting were widespread, and the organs of the state were not neutral. The police arrested victims and not perpetrators. In September 1974, Prime Minister Bhutto amended the constitution and declared that Ahmadis were officially non-Muslim. That was followed in the 1980s by measures introduced by Zia ul-Haq's Government to Islamicise Pakistan's laws.

In 1984, Ordinance 20 significantly restricted Ahmadi freedom of religion or expression, threatening up to three years in jail for any Ahmadi who, for example, called themselves a Muslim. Since then, thousands of Ahmadis have been arrested. In 1989 and again in 2008, the entire 50,000 population of the Rabwah was charged with practising Islamic worship. Ahmadis are prevented from holding public meetings and are not even able to vote or to register to vote because registering to vote would require them to deny their faith. Ahmadis are barred from entry to public office except at the lowest level. In order to claim to be a Muslim on the Pakistani passport, they are forced to sign a declaration that says:

"I consider Mirza Ghulam Ahmad to be an imposter."

Persecution by the state is at times systematic. My fear is that such discrimination helps to feed the ideology of groups such as the Taliban and offers them a justification for some of their worst excesses. It does not legitimise what they do, but it might make them feel, wrongly, that they have some kind of legitimacy. Even if there was no violence, it makes Ahmadis feel threatened. Therefore, the Pakistan constitution poses a problem, as it gives some perverse encouragement to extremists and belittles the Ahmadi community.

Non-state persecution of Ahmadis is very worrying and appears to be growing. According to Pakistan's Human Rights Commission, Ahmadis face the worst treatment of anyone in Pakistan. The media there are often virulently anti-Ahmadi, broadcasting phrases such as, "Ahmadis deserve to die." In particular, the Khatme Nabuwwat movement carries out regular activities to oppose Ahmadi Muslims. It calls for the banning of Ahmadiyyat and for the killing of Ahmadis. It incites attacks against Ahmadis in speech and broadcast, and is credited with introducing the widely used phrase, "wajibul qatl" which means "those who deserve to be killed".

In the past decade, there has been an increasing number of murders and attacks of Ahmadis, and an increase in the number of pre-planned and targeted attacks on Ahmadi mosques by Islamist militants. As we know, those attacks culminated in the Lahore attacks, when two mosques were stormed in a well-planned assault that lasted for about four hours. At one stage, more than 1,000 worshippers were trapped in the Darul Zikr mosque, trying to escape militants armed with guns and grenades. The Baitun Noor mosque was also stormed in a co-ordinated attack. The multiple suicide attacks by the Punjabi Taliban took place slowly, with terrorists methodically throwing hand-grenades among their hostages and climbing the minarets to fire at them from above. When the attackers started to run out of ammunition, they began detonating their explosive vests. Although the police came, they arrived late—even after the media arrived—and the only attackers who were caught were captured by unarmed Ahmadis.

The loss of life and the prolonged and bloody siege prompted widespread condemnation and global media coverage, and it is the reason why we have asked for this debate today. Many people have been in touch with me about the outrage in Lahore. Shortly after the murders, I spoke personally with Rafiq Hayat, the head of the

[Siobhain McDonagh]

UK's Ahmadi community. I wanted him to know that I was very concerned about what had happened and I wanted to see if I could do anything more to help.

Henry Smith (Crawley) (Con): In my constituency, the attacks in Lahore in May sent a shockwave through the local Ahmadi community. However, I was very impressed that, despite that sense of shock, several months later the community displayed its altruistic and inclusive nature when it invited representatives of many different faiths in my constituency—Christian, Hindu, Sikh and Muslim—to come together for a celebration at the end of Ramadan. Is that not a great example of the way forward and of how we can include all communities together, with respect for all different faiths and religions?

Siobhain McDonagh: I totally agree with the hon. Gentleman and, as I have been arguing, such inclusiveness is the hallmark of the Ahmadi faith.

We thought that it was important that Britain send a strong message to Pakistan after the attacks in Lahore, saying that we were appalled by what had happened and that more must be done to support Ahmadi worshippers in that country. At the time of the attacks in Lahore, we were concerned that the British Government should highlight both Pakistan's duty to protect Ahmadis and the poor treatment that Ahmadis receive in Pakistan. As my right hon. Friend the Member for South Shields (David Miliband) said when he was my party's foreign affairs spokesperson:

"It is when the international community has taken its eye off the ball in Pakistan that instability has increased...Internally, Pakistan has a duty to protect minority groups and needs the support of its allies to do so."

Rafiq Hayat told me that he agreed with that sentiment and I hope that the Minister can join us in expressing the Government's views to the Pakistan Government in his speech later in the debate.

I am concerned that the discrimination against Ahmadis that is embedded in the Pakistani constitution can be construed by militants as giving them legitimacy. The Pakistani Government are already facing many difficulties with al-Qaeda and other militant groups, and the British Government need to work hard to convince them to help to fight global Islamic terrorism. As the June issue of *Terrorism Monitor* notes:

"As the Pakistani Taliban are trying to spread their war on the Pakistani state, they are likely to continue to target minorities like the Ahmadis in their efforts to create instability."

If we do not persuade mainstream politicians in Pakistan to stand up for the Ahmadi Muslim community, we risk further Islamicist militancy. Moreover, if the militancy continues in Pakistan, it not only threatens Ahmadis but the whole international community. After all, any increase in Islamicist activities also affects us here in the UK, so it is in our own interests for the Government to seek to persuade Pakistan's Government to show more tolerance to the Ahmadi Muslim community.

I therefore urge the Minister to ask his colleagues to raise this matter with Pakistani Ministers in the course of their regular meetings and to keep the new all-party group informed of any progress. The truth is that the Pakistani extremists' hatred of Ahmadis is already being exported. In fact, it is here in the UK today.

Last week, south London local newspapers carried front page articles about discrimination against and intimidation of Britain's Ahmadi community. The police are appealing for information about inflammatory leaflets that have been distributed across south London, apparently by Khatme Nabuwwat, as part of a targeted ideological campaign, and they have said that an investigation into alleged hate crimes is ongoing. They have also said that a teenage Ahmadi girl gave them a statement, claiming that a leaflet that was written in Urdu said:

"Kill a Qadiyani and doors to heaven will open to you".

Another KN leaflet, entitled "Deception of the Qadiyani", was recently displayed in the window of the Sabina Hair and Cosmetic shop in Mitcham road, Tooting. When the local *Guardian* newspaper confronted staff at the shop to ask why they had put up the leaflet, a worker said:

"These people are not Muslims. I did it myself. They don't believe that prophet Mohammed is the last prophet."

Many Ahmadi shopkeepers are worried about the future of their businesses after clerics demanded a boycott of their shops. Imam Suliman Gani, of the Tooting Islamic Centre, apparently pleaded with the owner of the Lahore halal meat shop in Tooting not to sell his business to an Ahmadi man, saying:

"Since the Qadiyanis are routinely deceptive about their religion, there was a potential risk of Muslims being offered meat that wasn't necessarily halal."

Yet another leaflet that was posted on the wall of the Streatham mosque called for a boycott of the Lahore halal meat store.

The discrimination is increasing. An Ahmadi butcher who came to London in 2001 after fleeing Pakistan has just won an employment tribunal after being sacked by the owner of the Haji halal meat shop in upper Tooting. The owner, Azizur Rahman, had put pressure on his employee to convert to the Sunni Muslim faith. Apparently, Mr Rahman said that pressure was placed on him

"by the head of the Sunni sect who had helped Mr Rahman to gain admission for his daughters to a single sex school for girls."

Mr Rahman also claimed that he had been influenced by a conference hosted by KN at the Tooting Islamic centre in March, where worshippers were ordered to boycott Ahmadi-run shops. During that conference, the KN's Abdul Rehman Bawa said:

"I don't know why our sisters or mothers are talking with these Qadiyani and making friendships...Don't make friends with them...They are trying to deceive you, they are trying to convert you from Islam to Qadiyanism."

According to the local *Guardian* newspaper, the owner of one Tooting halal butchers shop said that his trade had virtually halved in three months, and claimed:

"Some people refuse to come here just because I am Ahmadi. They use words against me like 'Kafir', which means I am not Muslim. I've lived here for 13 years and lots of people know me in Tooting, but this situation has become so much worse now."

Furthermore, the Tooting Islamic centre was at the centre of another controversy, when an election hustings in April was disrupted by anti-Ahmadi protests. The Tory candidate was mistaken by a group of fundamentalists for the Liberal Democrat candidate, who is an Ahmadi, and he had to be locked into a room for his own safety.

I appreciate that not everything that appears in the newspapers is the whole truth and that the real story about anti-Ahmadi activities in this country may be

more complicated and untypical. I also do not want to focus on Tooting any more than anywhere else, because I have lived in the Tooting area all my life and there is nowhere else in the world that I would prefer to live. My own experience is that the vast majority of mainstream Muslims are wonderful people and respect their local communities in peace.

We are still a long, long way from a Lahore-style attack happening in south London, but the emergence of anti-Ahmadi activity is a great concern. I ask the Minister to address the issue of how groups originating in Pakistan are encouraging illegal discrimination and inciting hatred in this country, and to raise it with colleagues at the Home Office and other agencies, including the police. None of us wants to see the Pakistani attacks repeated anywhere else. The Pakistani Taliban and groups such as KN have no place in a tolerant society and Ministers must exploit all this country's diplomatic skills to work with the Pakistani Government.

In the UK, most of the time, people from different religions live side by side, even though we each believe that the other worships a false prophet. I include the vast majority of the mainstream Muslim community in that. Muslims are among the most peaceful, tolerant and understanding people in our community, and I say that as a south London MP with a very diverse constituency. However, for the sake of Ahmadis here and in Pakistan we must work towards a greater understanding of the Ahmadi Muslim community.

I hope that the Minister can make a commitment today to raising our concerns with his colleagues in the Home Office and the Foreign Office, with the police, with the Pakistani Government and with the Commonwealth. I also hope that our new all-party group will contribute towards a greater understanding of Ahmadis, because our aim is for the whole world to share and respect the Ahmadi slogan, "Love for all and hatred for none".

2.49 pm

Tom Brake (Carshalton and Wallington) (LD): It is a pleasure to serve under your chairmanship for the first time, Mrs Brooke. I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing this debate. In spite of our political differences, we often make common cause on issues. I hope that she will therefore welcome the fact that the funding for St Helier hospital has been re-announced in today's comprehensive spending review; that is a success that she can share with me and, indeed, with the Minister of State, Department of Health, my hon. Friend the Member for Sutton and Cheam (Paul Burstow). I am also pleased to make common cause with the hon. Lady in supporting the Ahmadiyya community. I support her work and welcome the fact that she is setting up an all-party parliamentary group on the issue. I am happy to be a member of that group and to facilitate its establishment.

In her opening remarks, the hon. Lady outlined well the position of the Ahmadiyya community around the world and the difficulties and risks that Ahmadiyyas face in seeking to practise their peaceful religion in various countries. Like her, I have had the pleasure of visiting the mosque in Morden. I went a couple of weeks ago with my hon. Friend the Member for Sutton and Cheam, who I know would have wanted to participate in this debate if his ministerial duties had not kept him elsewhere. We talk a lot about the big society at the moment. The building of the mosque is a good example of how a community can work together and draw on the resources at its disposal. It is a mosque of great stature and presence, and it sets an example for the rest of us. Hon. Members who visit can see the library, the TV station and the facilities for both men and women to worship.

I also welcome the fact that in a similar big-society vein, the Ahmadiyya community is working locally with other faiths to secure a large open space immediately opposite the mosque for the widest possible community use. For me, that is the thing that resonates most and comes across most strongly about that community: the willingness to work with other faiths and people of no faith on issues that are important to us all. That is one of the community's strengths that we should respect, which is why it is particularly depressing that, as the hon. Lady described, Ahmadiyyas face such risks and challenges around the world and, increasingly, in the UK. I will not repeat the examples that she quoted, but I will say one thing about the incident at the Bentall centre in Kingston. Those who know Kingston will know that if people are inciting hatred and potentially putting lives at risk in the Bentall centre, we have a wider problem in the country as a whole. One could not find a more affluent middle-class environment than the Bentall centre.

When the Minister responds, will he clarify what discussions he is having with the Home Office about the issue, particularly in relation to the Prevent agenda? The Prevent agenda—it is currently under review, which I welcome—is about preventing extremism from developing within communities. It seems to me that there is a risk of that at present, and I hope that he has had or will have discussions with the Home Office about how the Prevent agenda can be brought to bear on the issue. He might also be able to comment on the YouTube clips. I do not know whether he has had an opportunity to see them; I recommend that he does so, and that he reads the translations provided. He might then want to reflect, if he has not already done so, on whether there are implications under the Racial and Religious Hatred Act 2006 for some of the statements being made.

That is where I shall leave my comments, as many other hon. Members clearly want to speak. What I have seen on YouTube seems to go beyond a discussion about the relative merits of religions, which is what I think we all want to facilitate, and the Home Office and Foreign and Commonwealth Office need to respond to that agenda. I hope that we will hear a forceful response from the Minister shortly.

2.55 pm

John McDonnell (Hayes and Harlington) (Lab): I apologise for being absent, Mrs Brooke; I will be chairing a meeting at half-past 3, so I will miss the Front-Bench responses. I congratulate my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) not just on securing this debate but on her continued commitment to the Ahmadiyya community over the years and her dedication to a constituency that she clearly loves, although she could relocate to Hayes.

For me, the issue is fairly straightforward. In this debate, we are setting the agenda for our new all-party group. The two issues topmost on that agenda will be

[John McDonnell]

the discrimination that might be occurring in this country and attempts to divide our communities, but the attacks in Pakistan are also an issue. Over the years, many of us have signed early-day motions on discrimination, but we are deeply shocked by the attacks in Lahore. I think the head count was 94 dead and at least 100 injured, some very seriously. The severity and scale of the attacks gave us a shock.

All parties have made representations to the Pakistani Government about discrimination against Ahmadiyyas, as did the previous and incoming Foreign Secretaries, but we still have had no movement on some key issues. First, working with Human Rights Watch, we asked for the repeal of the blasphemy laws in order to eradicate them from the Pakistani legal system. Secondly, we mentioned the failure over years to prosecute the perpetrators of attacks on the Ahmadiyya community. I am aware of no prosecution in the past 15 years in Pakistan for a serious attack on members of that community. Thirdly, we attempted to see how we could work with the Pakistani Government to combat persecution and harassment overall and understand in greater depth the motivations for such attacks. In many cases, it is small groups of extremists who perpetrate such attacks, but a culture of victimisation, persecution and discrimination against the Ahmadiyya community has also built up in Pakistan and infiltrated other communities around the world. I will welcome any Ministers who come along to the early meetings of the all-party group to report on the progress that they have made in their representations to the Pakistani Government on those three issues.

We are now encountering problems in this country. My constituency has a relatively small but active Ahmadiyya community. I convene a regular meeting of religious leaders in my community every couple of months. The Ahmadiyyas are active representatives who have involved themselves in every community campaign and every charitable act and target that we have set ourselves, ranging from getting involved in local community groups and festivals to running marathons. They are excellent contributors to the local community.

The Ahmadiyyas in my area have set up a centre in the constituency of the right hon. Member for Uxbridge and South Ruislip (Mr Randall). It has taken over the old Irish centre, of which I was a member, the Irish community there having moved elsewhere. I will miss having a pint of Guinness there, but I welcome the centre. Immediately the centre was established, it opened its doors to the wider community. We had a session there a few weeks ago on the theme, "Love for all, hatred for none" in which representatives from the local community and all religions were invited in for a genuine discussion of local issues that we should address together. It demonstrated the commitment of the Ahmadiyya community to my local area.

We have also launched an ad campaign in Uxbridge featuring "Love for all, hatred for none" on the sides of buses. In addition, the Ahmadiyya community leafleted every house in my constituency with a similar message of peace. In my area, all that work is establishing the Ahmadiyya community in a very close, warm and encouraging relationship with the wider community. However, there are real fears about what has happened in south London and that the situation will infect the wider community, resulting in further victimisation, discrimination and, indeed, persecution of the Ahmadiyya community in this country.

For that reason, I hope that the second item on our all-party group agenda will be about receiving a report back from Ministers on the issues surrounding liaison, through the Home Office, with the Metropolitan police. What monitoring of these activities is going on, and what intelligence do we have? We then need to consider how to devise a strategy to deal with the matter. The problems under discussion are based on profound ignorance, which some elements within our society are willing to exploit to their advantage. If we can nip that in the bud at the earliest opportunity, combating discrimination against the Ahmadiyya community may shine as an example that could well provide us with lessons we can learn from in relation to Pakistan and elsewhere.

3 pm

Jane Ellison (Battersea) (Con): I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing an important and timely debate. In my constituency of Battersea, like so many London seats, there are communities of people who have come to the UK from all over the world—some many decades ago and some more recently. During the four years that I was a candidate and in the five months that I have been an MP, I have met and visited a number of different faith communities to get to know them and understand their concerns. The Ahmadi are one of those communities.

Although I was previously unfamiliar with the beliefs and traditions of the Ahmadiyyan faith, from my first introduction to the community I have been made very welcome and kept well informed. I am grateful to the Ahmadiyyan national president Mr Rafiq Hayat, my local Battersea president Mr Tariq Uppal and my friend Tariq Ahmed for the efforts they and others have made to keep me briefed about issues of interest and concern. I am also grateful to them for ensuring that I know more about the Ahmadi and the important role that they play in the life of this country and my local community.

The London mosque, a very long established place of worship and the site of the head office of the Ahmadiyyan Muslim Community UK, is in my neighbouring constituency of Putney. The Economic Secretary to the Treasury, my hon. Friend the Member for Putney (Justine Greening), is currently in the main Chamber, but she has a long-standing and positive relationship with the Ahmadi community and is taking a close interest in this afternoon's debate.

I was aware of the long-standing tension that exists between some other Muslim faith groups and the Ahmadi Muslim community, especially in Pakistan where—as has been mentioned—persecution of the Ahmadis is, sadly, written into the constitution. However, it was still a huge shock and very distressing to hear of the Lahore massacres in May. They have been described already. Those worshippers were murdered with grenades, suicide vests and automatic weapons. As we heard, many people were killed and injured. Tragically, a local Putney resident—a much-loved husband and father, Mr Muhammad Bilal—was one of those people murdered.

Although one of our fellow citizens was caught up in the dreadful events in Lahore, it is always tempting to look at bad things happening in a foreign land and hope that we might somehow be insulated from them. We might be tempted to think that such events spring from a tradition very different from our own and that it could not happen here. However, this country has long-standing and very close political and diplomatic ties with Pakistan, which have been reinforced through the bonds of friendship and family over many decades. That has been manifested in many positive ways. Most recently, there has been a hugely generous response from the British people to the devastating floods that affected millions of people in Pakistan.

However, there have also been some less welcome developments that have resulted in part from the ongoing close ties of culture and religion between Pakistan and its diaspora. The Ahmadi Muslim community in the UK has noticed that disturbing trend in the months since the Lahore massacres. As has been alluded to, the persecution of Ahmadis has intensified in tone and frequency around our country, particularly in south-west London. There have been the incidents described today of intimidation during the general election, and posters and leaflets with aggressive and derogatory messages have appeared around the area. I have been shown images of posters put up in Scotland that denounce Ahmadis as infidels and publish their place of worship. That leaves those observing the poster to read between the lines.

As the hon. Member for Mitcham and Morden has said, many local newspapers, including the *Wandsworth Guardian*, have reported on organised boycotts of Ahmadi-owned businesses. Much of the written material that has appeared treads a conscious line between what is illegal and what is merely very unpleasant. A recent Ofcom investigation into provocative broadcasts by faith-based satellite TV channels was hampered by uncertainty about where some programmes had been shown. Translation has also sometimes proved a problem, with the exact nuances of some terms often disputed, even though the intent is obvious. I ask my hon. Friend the Minister to keep a close liaison with the Secretary of State for Culture, Media and Sport with regard to broadcasting guidelines to ensure that loopholes are not exploited in such a way. I am certainly confident that we are not talking about restricting the right of free speech; we are talking about ensuring that people do not exploit loopholes to do the very opposite of the notion of free speech.

Whatever the details of individual events, we do not have to read too far between the lines to see that a deeply worrying trend is developing. Throughout history, we have seen where such trends have led. Indeed, we are reminded by the origins of the word "boycott" of the sectarian divisions that have scarred Ireland for many centuries. We must speak out now against persecution at home and abroad. Rather than keep our silence or let things be too low key, we must speak out before it is too late and further tragedies take place abroad or here.

I do not know, and actually I do not care, about the doctrinal differences that underpin so much of this unpleasant activity. I care about this country's tradition of religious tolerance, which we were rightly reminded earlier is still evolving and is not perfect. Nevertheless, we can take some pride in it. That tradition must embrace and protect the Ahmadi community, as it has protected other religious groups before. It is a tradition of religious tolerance that we urge Governments around the world to adopt and that our own Government should encourage at all times. I am sure the Minister will touch on that.

In the UK, I welcome the measures already taken by the borough commander of Wandsworth police to investigate what is happening in my local community. That investigation was urged by my hon. Friend the Member for Putney and others, and is supported by Wandsworth council, as well as many councillors and community leaders. There is more that can and should be done by all Members of Parliament to give leadership to attempts to combat rising intolerance. I will certainly be playing my part, and I am glad that this debate has offered us all the opportunity to draw attention to this very grave matter.

3.6 pm

Nic Dakin (Scunthorpe) (Lab): I will contribute briefly to the debate, because most of the points have already been very well made by other hon. Members. I represent Scunthorpe county constituency. Picking up the point that my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) made in initiating the debate, prejudice is unfortunately something that we must live and work with in all our communities and get the better of through tolerance.

A few years ago, an Ahmadi community came to Scunthorpe and applied for planning permission for a mosque. That drew huge objections from the local community. However, the planning application was perfectly correct and went through. The mosque was built and those who lived in the community got on with their lives. A few months after the mosque had been established and opened, the neighbour who had led the series of objections knocked on the door of the mosque. They said to the person who answered the door, "I just wanted to apologise for having led that process of objection because you have been fantastic neighbours. You contribute to the community and we are proud to have you as our neighbour."

That little story demonstrates the way in which prejudice is often overcome by people living together and becoming more knowledgeable about each other. The sadness of the situation in Pakistan is that that does not appear to be the case. I agree with the comments already made: whatever the British Government can do in working with the Pakistani authorities to try to address the concerns about intolerance and violence towards the Ahmadi community in Pakistan would be very welcome. We must be ever-vigilant in this country to ensure that our tradition of religious tolerance is protected and celebrated. We must also ensure that the incidents that we have sadly heard about this afternoon and that have been reported more recently in the press do not increase. We must ensure that such incidents lessen, so that there is an increased growth in tolerance. Thank you for letting me contribute to the debate, Mrs Brooke.

Annette Brooke (in the Chair): Would any other hon. Member like to make a contribution? If not, I call John Spellar.

3.9 pm

Mr John Spellar (Warley) (Lab): It is a pleasure to address Westminster Hall for the first time from the Front Bench as a deputy member of the Labour party's Foreign and Commonwealth Office team. It is also a pleasure to face the Minister, who strikes the right balance between being properly partisan—I heard him shouting and bawling from the Back Benches when he was in opposition—and always being seen as competent and, even more significantly, fair-minded. Perhaps I can compromise him further with his Whips Office by saying that there is a compromising picture of him and me opening Paula Radcliffe way in his constituency. I can assure him, however, that normal service will resume in later exchanges on the Floor of the House.

It is also a pleasure to respond to my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh), who once again showed her qualities as a tenacious campaigner. She has turned a marginal seat, which was previously not held by the Labour party, into a safe seat, and that is based on the enormous service that she has given her constituents. She has demonstrated again today her engagement with them and the battles that she has fought on their behalf.

My hon. Friend has not only raised an important issue, but paid proper tribute to members of the Ahmadi faith, their contribution to community life in her constituency and their success in founding businesses and being part of economic life in her constituency and the country. My hon. Friend is right to be proud of that success, but as I often tell groups and individuals in my constituency, we can also be proud of the fact that we live in a country where such success is possible. There are a whole number of reasons for that, and we must fight to defend our values and customs so that such things remain possible and groups can succeed.

People of different faiths, beliefs and races can live peacefully side by side in this country. I was very much taken by the contribution of my hon. Friend the Member for Scunthorpe (Nic Dakin), who spoke of a group that had led a campaign against a mosque. Its members recognised that they had been wrong, but more importantly, they felt that it was right to convey that to the Ahmadi community. I am not sure how many other countries that would happen in. It is particularly telling that even those who have sometimes had prejudices and strong views can recognise when they have made a mistake. That is not true of everyone by any means, and there will always be a minority in society who are bigoted and driven by hatred, but the great majority of people in all communities want to live peacefully. We must work to ensure that we maintain such values and maintain that sort of country. At the same time, it strongly behoves us as individuals, political parties and state authorities to react vigorously against those, from whichever community, who would disrupt society and seek to divide it.

My hon. Friend the Member for Hayes and Harlington (John McDonnell) rightly said that there are two aspects to the debate. One clearly involves the situation and relations in this country, and I will return to that in a minute. The other is the situation in Pakistan. There is also the issue of how we handle the relationship between the two.

Obviously, it was disturbing to hear the contributions from my hon. Friend the Member for Mitcham and Morden and other colleagues, who told us how certain groups are trying to disrupt peaceful relations, stir up hatred, damage people's businesses and even move towards physical violence. From the examples that we have been given, that seems to be a problem mainly in the Metropolitan police area, and I certainly hope that the Metropolitan police will take it up fairly urgently. As my hon. Friend the Member for Hayes and Harlington said, it is important to nip these things in the bud—to deal with things at an early stage, to establish norms and isolate those who are trying to cause the difficulty.

I remind the hon. Member for Carshalton and Wallington (Tom Brake) that, leaving aside newer legislation, the concept of actions liable to cause a breach of the peace is long established in legal principle. In that respect, the proprietors of a shopping centre, who may have rights within it, can work in collaboration with the Metropolitan police and/or the local council's antisocial behaviour unit. There is an excellent case for joint action to send the message, "This is not the sort of behaviour that we will tolerate in the public space in our borough or in London." We should have a strong attitude of zero tolerance towards those who would seek to stir up sectarian strife.

The second aspect that has been raised is the situation in Pakistan. I associate my party's Front-Bench team with the comments that the Minister has made in answer to questions over the past few months, and specifically in response to the horrific attacks on 28 May and 3 September. They were very much echoed in comments made by the previous Foreign Secretary, my right hon. Friend the Member for South Shields (David Miliband), when he was shadow Foreign Secretary. In a quote that has been previously raised, he rightly said:

> "Pakistan's security is paramount to stability in the region. It is when the international community has taken its eye off the ball in Pakistan that instability has increased.
>
> The European Union needs to increase its support for Pakistan. It currently spends just half a euro per person compared to five to ten times as much in other parts of the world that are not only more developed, but less crucial to global security.
>
> The Pakistani Government's efforts to stabilise its western provinces has seen its military stretched.
>
> That Friday's attacks on the Ahmadi mosques originated in North Waziristan, and were carried out by suspected Pakistani Taliban militants, are areas of particular ongoing concern.
>
> Internally, Pakistan has a duty to protect minority groups and needs the support of its allies to do so. This is the worst attack on the Ahmadis in Pakistan's history, and it is deeply saddening that 93 innocent people have lost their lives."

That clearly reflected the previous Government's ongoing policy in March 2009, when the previous Member for Harlow, who was a Foreign and Commonwealth Office Minister, clearly laid out the then Government's position, which the subsequent coalition Government have followed very well. He said that his ministerial colleague had raised

> "concerns about the difficulties faced by religious minorities in Pakistan, including the Christian and Ahmadi communities and the mis-use of blasphemy legislation...With EU partners we have also made a series of demarches"—

he was referring to contacts and notes—

> "to the government of Pakistan on protecting religious minorities."

He said that the UK had pressed

> "the government of Pakistan to promote tolerance, and take measures to protect freedom of religion or belief"

and

"called for the reform of discriminatory legislation",

which has been mentioned in the debate. He said that the UK had

"urged the Minister for Minority Affairs to raise awareness about abuses against minorities and to increase their political representation at all levels."

He added that in July 2008—this was not just a response to immediate events, but part of an understanding of the ongoing problems—the UK and its EU partners had called

"on the government of Pakistan to specifically protect religious freedoms and human rights of the Ahmadis."—[*Official Report*, 24 March 2009; Vol. 490, c. 192W.]

I want to press the Minister a little with regard to the specific event, and the occasion in May when he described the attack on the mosques in Lahore as

"a tragic example of the discrimination faced by the Ahmadiyya community"

and added:

"Our high commissioner in Islamabad has raised the attacks and the discrimination suffered by the Ahmadiyya community in Pakistan with the Chief Minister of Punjab along with his EU colleagues, and the issue has also been raised by our high commission with the Pakistani Ministries of Interior and Minorities."—[*Official Report*, 14 June 2010; Vol. 511, c. 301W.]

It is not just a matter of getting agreement at national level in Pakistan; it is also a matter of recognising the significant role of provincial and local governments in protecting minorities in Pakistan. Therefore, national agreement and understanding is important, but things must go deeper, through the structures of the Pakistan Government.

John McDonnell: The most disappointing aspect of the attack this year was the fact that according to the Human Rights Watch report, the Ahmadi community and others in Pakistan had approached the Chief Minister of Punjab in advance to seek enhanced security for Ahmadi mosques. That was not provided and the mosques were vulnerable as a result, with the attack resulting in so many deaths. I concur with my right hon. Friend in trying to ensure that the message should be given not just to the Pakistani Government, but should be implemented at provincial level.

Mr Spellar: My hon. Friend ably reinforces my point. I am sure that the Minister will take that on board. I hope that the steps that have been suggested will be taken, so that the message will get across at different levels in Pakistan.

The debate rightly touches on relations with Pakistan, a country with which we have long and deep links, which is a major player in an important region and a partner in responding to terrorism. Furthermore, as has been obvious during the debate, many of our citizens take a deep and informed interest in its affairs. That is shown by the huge response in the UK—not just from the community that originates in Pakistan—to the floods in Pakistan. As far as I am aware, the UK has been the second biggest donor, both in the response of individuals and in the Government response to the distress caused by the floods. That has been so throughout the country.

I was at an event a few weeks ago in my constituency and there were some major figures there from the Pakistani community—as well as from the other communities: Hindu, Sikh, Christian and probably a considerable number of non-believers in any faith. They made major donations to assist those whose lives have been so disrupted. It is clear that the bonds between our countries are strong, but I stress that is not to do with recreating a position based on a colonial past. Even so, we should not be averse to raising human rights issues. Nor should we make the perhaps slightly lazy assumption that in a vibrant, dynamic country such as Pakistan there is monolithic uniformity of opinion. It is undoubtedly far more nuanced and sophisticated.

It is interesting to note that an independent survey showed that about 90% of Pakistanis believe that religious extremism is the greatest single threat to the country. It seems a shame that, as someone commented, the extremist 3% seem to be holding the other 97% to ransom. It is important, therefore, that Pakistan should not be isolated from the mainstream of international community, and very important that ordinary Pakistanis should remain in contact with the outside world, and should understand that we do not believe they all follow the views of a rabid, vociferous minority.

My hon. Friend the Member for Mitcham and Morden rightly stressed the efforts of the Taliban to destabilise Pakistan by inciting hatred and violence towards minorities, and the Ahmadi minority in particular. However, we should recognise that the Taliban are not very concerned, either, about their fellow Sunni Muslims. In fact, they probably hold them in greater disregard than they do other groups. They are an extremist group and are prepared to use extreme violence to impose a backward view. They are a threat to the stability of the country as well as to minorities, with the present case being the worst example of that at the moment. We should remember in this and other contexts that intolerance of others' beliefs and sectarian violence rarely stay within the bounds of a country; they spread across frontiers. That is what is happening and that is why we need to respond in Britain.

The Minister has a number of questions to respond to from hon. Members who have taken part in the debate, but I ask him also to outline what steps are being taken by the Foreign and Commonwealth Office to convey our strong concern to the authorities in Pakistan at national, provincial and local level. I assure him of our support in getting that message across.

3.26 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): It is a pleasure to serve under your chairmanship, Mrs Brooke. I thank you for presiding over the debate, and I thank colleagues who have taken part. I begin, of course, by thanking the hon. Member for Mitcham and Morden (Siobhain McDonagh) for her contribution and for raising this important subject. As the right hon. Member for Warley (Mr Spellar) said, her commitment to her community—both the section of it to which the debate relates, and all others—is noted in the House, and brings her recognition wherever she goes. It is another part of her work that she does commendably in the House, and we thank her for bringing it to the House's attention.

I am grateful to the right hon. Member for Warley for his kind remarks. We do indeed go way back. We are both members of the Whips' brotherhood, albeit on opposing sides of the House. We have both been around

[Alistair Burt]

for a while. I appreciated the right hon. Gentleman's work in Government. He was a good Minister and easy to talk to. Coming to open a road in my constituency of course marks him out as a special colleague, and I thank him for that. If I remember rightly, I think that I ran the 10 km race on that occasion—

Mr Spellar: There are differences between us.

Alistair Burt: I was going to say that ministerial engagements prevented him from running; but it was a good occasion and I thank the right hon. Gentleman for his comments, which I reciprocate. Although properly partisan we are able, we hope, to put such things to one side when we need to. This is one of those occasions.

In foreign policy there are many areas in which a change in Government makes little difference to what are conceived to be British interests. As to human rights and related matters I think the House can be assured that the view of the House, the Government and the country is reflected in Government. There may be nuances from time to time, but the things that we hold valuable are shared between us. The House will find the Minister and the Opposition speaking together in our condemnation of the attacks that are the subject of the debate and in our concerns about what can be done in the future.

Human rights and the treatment of minorities are obviously of major concern to the hon. Member for Mitcham and Morden in seeking the debate, and they are important to us all. She made a powerful and at times distressing case when she discussed circumstances affecting her constituents, and events in Pakistan. Her concerns for her consituents were echoed by the hon. Members for Hayes and Harlington (John McDonnell) and for Scunthorpe (Nic Dakin) and by other hon. Members who spoke.

The United Kingdom Government are concerned about the ongoing discrimination against the Ahmadi Muslim community in Pakistan and around the world. I am grateful for the opportunity to talk to hon. Members about it. We welcome the news about the all-party group and will keep in touch with that. The hon. Lady and her fellow officers will know that they need only make contact with us and we shall respond. She recognises, through the establishment of the group, the importance of the community to many hon. Members in the House of Commons who have relevant constituency interests. I will certainly draw the Home Secretary's attention to the remarks have been made today concerning events that take place in the UK. I will move on to the matters affecting home affairs later, but there is no doubt that the matter has resonance both for our foreign relations responsibilities and for what happens in the UK.

I would like to put our relationship with Pakistan in perspective before dealing with the hon. Lady's specific points, because it is important, and the right hon. Member for Warley referred to that, too. The Government are committed to a long-term, productive and friendly partnership with Pakistan. Our two countries share many strong ties: our history, the deep familial roots in our 1 million-strong British Pakistani diaspora, extensive business links and close cultural connections.

As we have heard, Pakistan is currently dealing with major domestic challenges. The recent devastating floods have caused an immense amount of damage and misery for more than 20 million people—misery on a scale that is difficult to contemplate in the UK, as the area affected is the size of our country. It is one of the worst disasters the world has ever seen. The UK has been at the forefront of the international response to the crisis, committing £134 million for urgent humanitarian relief and to help people rebuild their lives.

Siobhain McDonagh: Several Members have mentioned the amount of money that the British population have contributed to the relief effort in Pakistan, but we should also put on the record the work of the Ahmadis' own charity, Humanity First, in raising funds and providing services in Pakistan during the floods.

Alistair Burt: The hon. Lady anticipated my next point, which is about the voluntary contributions, but I would not have mentioned that charity specifically, so I thank her for mentioning it. In addition to what the Government have spent, as the right hon. Member for Warley has said, the response from the community across the UK generally, whether or not they have relationships with Pakistan, has been remarkable—£60 million from different communities up and down the country—and those with family connections have been especially involved. We will continue to do that work. The right hon. Gentleman mentioned the European Union, and it is important that we work closely with it. Recently, my right hon. Friends the Foreign Secretary and the Prime Minister attended a European summit at which they took the lead in pressing the European Community to do still more to improve trade agreements to enable the Pakistani Government not only to get over the immediate hurdle of the floods, but to look forward to re-establishing their economy and to have the right infrastructure to be able to do so. The EU was able to take our lead and produce more trade concessions, which will give significant assistance to Pakistan in the future.

Pakistan is also suffering from the scourge of terrorism. More than 3,000 Pakistanis died last year as a result of terrorist attacks. Those attacks and the groups that perpetrate them pose a grave threat to Pakistan and to the stability of the region and beyond, including the UK. I would like to repeat the words of the Prime Minister when he paid tribute in August to the resilience of the people in Pakistan in facing that threat. We are committed to working with Pakistan to defeat this threat. It threatens both our countries.

Human rights are at the core of our foreign policy. We raise our concerns about human rights wherever and whenever they occur, without compromise and will continue to do so. As the Foreign Secretary made clear in a recent speech, we will improve and strengthen the work of the Foreign and Commonwealth Office on human rights. That will be underpinned by British values and by our support for democratic freedoms, universal human rights and the rule of law. That approach will be based on realism; we will never overlook human rights abuses and will always strive for progress, but we will be practical in our approach and flexible about what might work best in different contexts, which is only sensible.

The multiplicity of links between the UK and Pakistan means that we engage with each other on all subjects—counter-terrorism, security policy, immigration, trade,

development, education, the rule of law and human rights. As I have outlined, that last subject is critical to the conduct of UK foreign policy. It is as relevant to our relationship with Pakistan as it is to our relations with the rest of the world. We do not shirk from our responsibilities in highlighting our concerns about human rights, including to our friends.

Pakistan has made important progress in improving human rights. The ratification of the international covenant on civil and political rights and the convention against torture and other cruel, inhuman or degrading treatment and punishment is an important step in enshrining inherent rights in law, although we hope that the Government will look to remove or redraft the current reservations that they have lodged against both treaties. It is important that those instruments are fully implemented to help to ensure the human rights of all Pakistanis.

However, Pakistan continues to face significant challenges in those areas, and we remain committed to working with the Government of Pakistan to address them. One of the most important challenges is discrimination against, and persecution of, those of a particular religious belief, whether Christians or Sikhs, as is sectarian violence between Sunni and Shi'a Muslims. It is vital that the Government of Pakistan uphold the fundamental rights of all Pakistani citizens, regardless of their faith or belief. Pakistan can only benefit if all its citizens are able to play a central role in society. We regularly reinforce that point for our colleagues in the Government of Pakistan at all levels, and they have now established a Ministry for Minorities, which has active leadership and has brought about some positive changes. A remaining critical challenge, as has been mentioned today, is the reform of Pakistan's blasphemy legislation to ensure that it is properly implemented. Misuse of those laws is the basis for much of the discrimination suffered by religious groups in Pakistan, as the hon. Lady made clear.

Tom Brake: On discrimination, are the FCO and the Department for International Development in a position to monitor effectively whether the aid for Pakistan is being delivered equally across all communities?

Alistair Burt: The short answer is yes, and I know that because the point has come up before. If I may, I will deal with that towards the end of my remarks.

The Ahmadiyya community in Pakistan is 4 million strong. Following the creation of Pakistan in 1947, the community played an important role in the development of the new country; Pakistan's first Foreign Minister was an Ahmadi, and many prominent members of both the army and the civil service followed their faith. However, since the mid-1950s Ahmadis have faced increasing levels of discrimination, culminating in the passage of constitutional restrictions on their way of life: in 1974 the Pakistan Parliament adopted a law declaring Ahmadis to be non-Muslims, and in 1984 a further ordinance was passed, forbidding Ahmadis to refer to themselves as Muslims or to "pose as Muslims." Pakistanis themselves must take the lead in legal reform of the constitutional and legislative constraints on Ahmadis. The Government of Pakistan have a responsibility to protect all their citizens, regardless of religion or belief. The structural nature of that discrimination helps to create an environment of intolerance that manifests itself in horrific attacks.

I turn now to the attack on Lahore that was the subject of many of the remarks made by the hon. Member for Mitcham and Morden. The attacks against the two Ahmadiyya mosques in Lahore on 28 May, which killed 93 people and injured more than 100, prompted a worldwide response and rightly generated widespread indignation in the UK, both from parliamentarians and the general public. The attacks, unfortunately, were among many that violent extremists have carried out against both minority and majority Muslims over the past few years.

The Foreign Secretary, as has been acknowledged this afternoon, was swift in his denunciation of the attacks. Shortly after, the British high commissioner in Islamabad raised both the attacks and the wider discrimination against the Ahmadiyya with the chief Minister of Punjab, Shahbaz Sharif. I echo the point, made by the right hon. Member for Warley, that it is important that we engage at both federal and provincial level, which we do, in order to make our points on human rights. It is essential that the message gets though everywhere.

Senior officials from the British high commission in Islamabad had regular contact with officials from the Ministry for Minorities on the matter long before the attacks took place, and continue to do so. What more, then, can we do to help end the difficulties faced by Ahmadis in Pakistan and elsewhere? Most importantly, we must engage robustly and regularly with the Government of Pakistan, and we do. Following the attacks, I met with members of the Ahmadiyya community from the UK. I had the honour of meeting the national president, Rafiq Hayat, and members of the community in my office, and I am grateful for his insights on the issue at the time. He was able to give me at first instance evidence of discrimination and attacks on the community. As a result of that, in answer to a question from the hon. Member for Carshalton and Wallington (Tom Brake), I contacted the Home Secretary and briefed her about the matter so that she was able to take it into her calculations and her concerns about extremism in the United Kingdom. I shall ensure that a copy of today's debate goes to her, with emphasis on the remarks that have been made.

Mary Macleod (Brentford and Isleworth) (Con): Would my hon. Friend agree that MPs are best placed to show leadership on this issue in our local communities, and to speak out against any persecution of Ahmadis?

Alistair Burt: My hon. Friend is absolutely right. On such issues, it is clear that those of us in leadership positions have a responsibility to speak out. She put that clearly.

Indeed, I thought my hon. Friend the Member for Battersea (Jane Ellison) also got it right when she said that, for most of us, differences in doctrine between those of different faiths, including majority faiths, are never a justification for violence or discrimination. We all have different views on many things. None of us should be able to use those differences of view as an excuse, for that is what it is, to discriminate or commit violence against others—or, if not physical violence, to use the language of abuse which all too quickly can be turned against a group of people. We have seen that in our own society and community and, sadly, worldwide.

[Alistair Burt]

As my hon. Friend said, we do not really care about those differences. What we care about are tolerance and the principles of respect for different views, protection under the law and freedom from fear. Those are the things that matter to people in the UK, and within that we allow people to hold their different views. If those principles are transgressed, we are all violated to some degree, and that is why we will continue to speak out so clearly.

I shall draw to the attention of my right hon. Friend the Home Secretary the matters raised here that affect the UK, because they indicate a degree of fear and concern in the Ahmadiyya community that must be recognised and discussed in those places where that community might be under threat. This debate has done a valuable job in bringing forward the issues affecting people in this country as well as abroad.

I conclude by going back to the Pakistan side of things and saying a little more about the matters raised by the right hon. Member for Warley. Together with our EU colleagues, we have a regular human rights dialogue with the Government of Pakistan in which the continuing mistreatment of religious groups features strongly. I have been disturbed to hear about reports from the leadership of the Ahmadiyya community of discrimination which continues to be suffered both here and abroad, and we mention them when speaking to those we deal with from Pakistan. They are aware of the knock-on effects in the UK of comments and discrimination in Pakistan.

I speak regularly to Shahbaz Bhatti, Pakistan's Federal Minister for Minorities—most recently, just last week. The work that he is doing to reform the blasphemy laws is incredibly important, and we support him wholeheartedly in it, but I do not think that any of us have any false expectations. We recognise just how difficult it is to deal with such laws in a culture that has been turned against minorities and against the Ahmadiyya community. Despite the strenuous efforts of many in that Government to say and do the right things, it is hard to get such things through.

Trying to change the blasphemy laws provides perhaps the best opportunity for a change in attitude. I have raised the treatment of Ahmadis in Pakistan with the Pakistani Minister and, through him, have been monitoring the progress of the case against those accused of the Lahore bombings. The Government of Pakistan must ensure that the investigation and legal process are open, transparent and credible.

I spoke to the high commissioner for Pakistan at lunch time, to inform him of this debate and to get an assurance from him that he takes these matters extremely seriously. He wanted to communicate to me just how seriously his Government take these issues and this case, and I put that before the House.

I commend the recent report by the all-party group on human rights on their recent investigation into the treatment of Ahmadis in Pakistan, and I note its recommendations. The members of that group will be pleased to learn that the British high commission in Islamabad has been funding a project to increase the capacity of law enforcement officials, Government representatives and civil society to implement and monitor proper procedure in blasphemy cases. That is a way in which we can use the Foreign Office budget directly and practically to build capacity, and to assist those who would like to see change to achieve it.

The hon. Member for Carshalton and Wallington discussed media reports that aid for the victims of the flooding in Pakistan is being denied to some religious groups. That is very disturbing. The UK is committed to ensuring that the aid that we provide reaches those who need it most. Access to aid should not be predicated on religious or political belief, which is a principle to which all humanitarian organisations and non-governmental organisations delivering UK aid subscribe. The Department for International Development closely monitors how our aid is distributed and undertakes strict checks on the organisations that we fund, to ensure that our aid is spent properly and delivers the intended results. I welcome the commitment by the Government of Pakistan to ensure the equitable distribution of aid to those in need, and look forward to their adhering to that principle.

Discrimination against or marginalisation of any group because of their religion or belief is not acceptable. The UK is consistent in condemning all such instances when they occur, and I know that hon. colleagues on both sides of the House support that. The Government are aware of and critical of the discrimination faced by the Ahmadiyya in Pakistan. We are committed to working with the Ahmadiyya community, NGOs and the Government of Pakistan on the issue in a spirit of openness and understanding. Accordingly, I thank the hon. Member for Mitcham and Morden for bringing the matter to the House, and assure her that she will have our support in taking it forward in the future.

Annette Brooke (in the Chair): I thank all the contributors to the debate.

3.46 pm

Sitting suspended.

Mutual and Co-operative Rail Franchise Bids

4.29 pm

Gavin Shuker (Luton South) (Lab/Co-op): It is a pleasure to undertake this debate today. I thank the Minister of State for the communication that I have had with her office in the past few days. We are talking about an important subject. We all like to grumble about the railways. Hon. Members are not exempt from that; indeed, I could tell the story of my last disrupted journey, which was this morning. However, the very difficult privatisation of the early 1990s, brought about by the Minister's predecessors, sought to privatise a network in 40 weeks. That meant severe growing pains and a sharp learning curve. Other countries are travelling down that path over several decades, which is perhaps a salutary lesson to the present Government about the path and speed of change. However, we all accept that a new order is emerging, and it is right to accept that aspects of the industry today are the envy of Europe.

In the past 10 years, the combined measure of reliability and punctuality has risen from 78 to 91.5% and satisfaction has risen from 72 to 83%, with more passenger journeys now undertaken than at any point since the second world war. Yet, as we come into the constrained spending context of the comprehensive spending review, as the Department closes its consultation on rail franchising, and as customer expectation will rise in light of the massive fair increases of RPI plus 3 proposed by the coalition Government, a re-examination of provision on the UK's passenger railways must surely be prioritised.

So, how do we improve rail? It is my assertion today that co-operative and mutual ventures across the industry can raise the bar. They can model accountability and effective public engagement, and improve services. When looking at franchising, which is the bedrock of the passenger network, it is necessary to set it within the context of the industry, which means briefly discussing the infrastructure manager—Network Rail.

Network Rail's board structure, with about 100 members, is perceived as clunky and ineffectual in providing effective control. In 2004, the then Transport Committee stated:

"Network Rail did not convince us that members of the company were exercising an effective control of the company".

In July 2008, the Committee returned to the theme of Network Rail, and found its governance "inadequate". Network Rail provides a vital public service and was created as a public interest company, limited by Government guarantee, but genuine accountability, which is essential for driving up standards across the railways, is vital and should be expected in return for the large sums of money that the body receives from the taxpayer.

The Co-operative party has been key in developing a mutual model for Network Rail through "The People's Rail" campaign, and as a Co-operative MP I welcome that contribution. The campaign contests the assertion that true accountability could be ensured by our all having the right to become individual members of Network Rail. As a genuine mutual venture, Network Rail could be structured in such a way that we all had a voice. A democratically elected members' council with power over the appointment and pay of Network Rail's board could drive up performance and accountability and, dare I say it, tackle a culture of excessive bonuses.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I apologise to my hon. Friend for missing the very first part of his contribution. Is there not a similarity between what he proposes for Network Rail and the model that the coalition Government have endorsed as the way forward for something that was introduced by us—foundation hospitals? Exactly that type of structure has been designed to help to hold to account the senior management of our hospitals.

Gavin Shuker: I thank my hon. Friend for his intervention, with which I completely agree, and I associate myself with his comments. What we have seen from the coalition Government is a desire to look at innovative models across public services, and I believe that railways should not be exempt.

As I was saying, a democratically elected members' council with the power of appointment and pay over Network Rail's board could drive up performance. Co-operative and mutual structures deliver organisations that act in our interests. Who would be a better boss of the rail network than the passengers and the British public themselves?

Moving on to the bulk of my remarks on rail franchising, in a reply to a question from my right hon. Friend the Member for Tooting (Sadiq Khan) in the House on 22 July, the Minister said:

"There would be no barriers to mutuals and co-operatives bidding for franchises if they fulfilled the criteria." [*Official Report*, 22 July 2010; Vol. 514, c. 541.]

However, it is clear that there are still some barriers to entry, despite the stated desire of the coalition to explore innovative models of public service delivery. We in the Co-operative party would like to see those models given all the opportunities that are before them.

The system as it stands does not make allowance for the arrival of mutual and co-operative ventures. First, bidders are required to pass a number of detailed financial tests during the bidding process. ASLEF has said that a mutual bid would not be able to meet the performance bond requirement, and has called on the Department for Transport to review the performance bond criteria. Surely that is an area for examination. Secondly, bidders are understandably required to show experience of operating transportation systems. Can the Minister provide an assurance that the interpretation of that requirement is wide enough to ensure that mutual models in which individual members have extensive experience of running transport services—even the ones that they currently work on—but in which there is a new team coming together, perhaps under a new brand, are able to bid on a level playing field? Thirdly, the fact that no franchise has yet been awarded to a mutual ownership model on the railways itself serves as a barrier to entry.

To bring about the innovation that could drive up levels of service and accountability across the industry, will the Minister carefully consider the arguments for awarding the first mutual franchise during her time as Minister? Perhaps she could start by meeting representatives of ASLEF. The union has been preparing a mutual bid to run the east coast main line rail franchise when invitations to tender are announced in 2011. It believes that the co-operative principles of sustainability and accountability should be brought front and centre in the provision of passenger rail in the UK.

[Gavin Shuker]

A common perception is that co-operatives are small and therefore unable to step up to the financial requirements of such a large franchise. However, the Co-operative Group has a turnover of more than £10 billion, and the east coast franchise turnover is only £550 million. The Go! Co-operative is one of the most recently established train operating companies, and down the track, as it were, it seeks to run open-access train services. That co-operative has already been authorised by the Financial Services Authority to raise the required funds, and I am sure that the Minister will want to welcome that initiative. I encourage her to take the time to talk to representatives of Go! Co-operative and to understand, in real time, both the challenges and the opportunities that are presented to people who enter the franchise system.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does my hon. Friend agree that the strength of mutuals is that they can represent the interests both of those working in the organisation and those who use its services?

Gavin Shuker: Absolutely. I thank my hon. Friend for that intervention, and I would like to associate myself with her comments. It is true that when different stakeholders, including the people who work on the railways, are brought together, that always results in a much better service. Rail franchising is a key aspect of mutuals' activity on the railways, but there are other ventures, too, to consider.

Enterprises that are owned and controlled by those who have a vested interest in their success should not be confined to the running of the railway itself. Many services that work alongside the main business add value to the traveller experience. Services such as cleaning, catering, customer service and training would be greatly improved by local accountability that allowed the services to respond flexibly to changing needs. The Cleaning Co-op based in Bristol has already won contracts to work with Birse Rail, CrossCountry and Virgin Trains. It provides cleaning services to Oxford and Bristol universities, local schools and the NHS. As a result of its unique structure, it not only provides a highly professional service but has a high staff retention rate and a motivated work force. It is highly valued by its clients, who are also its partners. The Cleaning Co-op is one example, but there are many successful retail, catering and training co-operatives, all of which could add to the traveller experience in a mutualisation of rail franchising.

Mutualism has much to offer in the governance of Network Rail, the system of rail franchising and the services that enable a decent passenger experience. I hope that the Minister will speak about the positive contribution of these talented, professional and visionary co-operatives. As we all recognise, UK rail faces significant challenges in the years to come. There is a requirement to show that passengers are getting a fair deal. There is a desire to see profits reinvested in better services. What better way to reassure passengers that the railways have their interests are at heart and that the staff who serve them truly have a seat at the table, than to see mutual operators on our railways?

4.39 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): It is a pleasure to serve under your chairmanship today, Mrs Brooke.

I congratulate the hon. Member for Luton South (Gavin Shuker) on securing the debate and providing us with the opportunity to discuss an important issue, namely the potential involvement of mutuals and co-operatives in the rail franchising process. The issue is of concern to a number of hon. Members and has been the subject of a range of parliamentary questions.

I would like to make it clear that the coalition Government support the creation and expansion of mutuals, co-operatives, charities and social enterprise. We fully appreciate and recognise the brilliant work done by the co-operative, mutual and not-for-profit sector in many areas of policy and public life. In fact, we want to see such groups playing a bigger role in delivering public services and in helping us to tackle the key social problems that we face in modern Britain.

I want to be clear: the Government would treat a rail franchise bid from a mutual or a co-operative in exactly the same way as they would treat a bid from a competitor in the commercial sector. If a mutual, co-op or any other not-for-profit organisation can meet the accreditation criteria, it may bid for a franchise. If it offers the best deal for the passenger and the taxpayer, it can win the franchise. I cannot promise to bend the rules for mutuals and co-operatives, but I can promise to treat them fairly and objectively, judging their proposals on the same basis as those of their commercial competitors.

Before I deal with how the accreditation and procurement process works, I will respond briefly to the points made by the hon. Member for Luton South on Network Rail—not obviously the subject of today's debate, but important none the less. I hope, Mrs Brooke, that you will allow me the latitude to respond.

The hon. Gentleman is right that we need to reform Network Rail. I am glad that there is growing consensus around that—before the previous general election, the Government seemed to think that there was no justification for reform, so I welcome his voice joining those of us who think that we need mechanisms to make Network Rail more accountable. He is right that we need to take care to get any reform right—we want not to rush into it, but to think carefully about the best way to deliver results for passengers and taxpayers.

I recognise and, to an extent, share the hon. Gentleman's concerns about the Network Rail decisions on bonuses in recent months. I am pleased that the company has suspended its management incentive plan, which I hope we see reformed in the future. We are determined to make Network Rail more accountable and more efficient. Our work is informed by that of Sir Roy McNulty, and I have no doubt that our discussion today and the speech by the hon. Member for Luton South will also form an interesting part of the McNulty review.

In order to address the issues raised by the hon. Gentleman about mutuals, one first needs to consider the general rules on rail franchising. As the hon. Gentleman acknowledged, rail franchises deliver an essential service. There are 1.2 billion passenger journeys made every year. The train operating companies are, at the moment, substantial businesses—they each have a turnover in

excess of £100 million per annum and they provide employment to hundreds and, in some cases, thousands of people.

The Government have a twofold interest in rail franchises. First, we need to protect the passengers' interests and to hold train operators to the demanding obligations of service delivery placed on them by their franchise contracts. Secondly, we need to protect taxpayers' interests, by obtaining value for money from the franchise contracts and for the considerable sums spent on the railways.

The hon. Gentleman will appreciate that, while some franchises pay a premium and others receive a direct subsidy, all operators benefit from the Government grant made to Network Rail to maintain and renew the infrastructure. He will appreciate that considerable sums are at stake when a franchise is let and that, in letting a franchise, we trust the operator with serious and important responsibilities in relation to our economy and transport system. Therefore, the greatest care is needed to ensure that we do the best that we can to make the right decisions on whom we award a franchise to.

A key issue for the hon. Gentleman was clearly the accreditation process used to assess whether a bidder can qualify to take part in a franchise competition. The Department for Transport has recently completed a consultation on rail franchising—it closed on Monday—and I take the opportunity to thank all those who took part. Until the consultation responses have been properly considered, I cannot say with certainty whether the reforms that we will undertake will involve changes to the accreditation process. Although this is not the primary focus of the consultation, we are happy to consider whether ways can be found to make the process of letting franchises less complex and expensive to carry out. Whatever reform we adopt, however, it must still ensure that the process is fully compatible with objective public procurement principles and regulations. I am sure that the debate will provide useful input for the decisions on whether reform to the accreditation process is needed, to be considered alongside the consultation responses.

The procurement process has two main elements: first, accreditation; and, secondly, the formal bid stage. The appropriateness of potential bidders is considered at the first stage. The accreditation process is designed to achieve a manageable field of bidders, which can be expected to submit attractive, competitive and realistic proposals. Keeping the number of operators that can proceed to the formal bid stage to a manageable number reduces cost for Government and industry. The winning bidder must be capable of delivering a high-quality service at the price it has undertaken to pay. The procurement methodology needs to comply with European Union procurement law and treaty principles, including equal treatment, proportionality and transparency.

The legal entity signing the franchise agreement is required to be a limited company formed for that purpose, but the accreditation process assesses the financial standing and technical capability of the parent organisation, so it would be open to a mutual or co-operative to establish a special purpose vehicle in order to run a franchise in the same way as commercial parent groups do now. Bidders are assessed to ensure that they have a level of financial standing proportionate to the size of the franchise concerned, in order to provide assurance as to the stability of the potential operator. The Government need to be confident that each bidder will have sufficient financial capacity to meet the working capital needs of the franchise business. We need to assess with great care whether the bidder will be able to absorb the risks that we seek to transfer to it, which at the moment means obtaining the performance bonds that the Department needs as security in the event of a franchise default.

The hon. Gentleman has made a passionate plea on behalf of co-operatives and mutuals. I value their work, but I would be very reluctant to compromise on rules that require us to make a careful assessment of the financial capacity of those that bid for rail franchises, because of the accompanying potential risks. Having said that, we are looking at the whole process of the franchising system as part of our response to the consultation. A key aim of the franchising process must be to protect the interests of passengers and taxpayers, so it is essential that we have safeguards in place to avoid letting the contract to an organisation that, ultimately, finds that it cannot cope. The most recent example of franchise collapse, that of National Express East Coast, shows that it is possible to deal with that situation without disruption to services. However, such collapses are clearly unsettling for passengers and the work force, and leave the taxpayer with the considerable cost of stepping in to run the railways as the operator of last resort.

I hear what the hon. Gentleman says, but financial credibility checks and standards are important, and likely to become even more so in the future as we move to longer franchises, as proposed in our consultation. We will need to make longer-term judgments on the credibility of bids and on the capacity of the potential franchisee to deliver major investment, which we hope will make a considerable difference to the quality of experience for passengers under the proposed new franchise model.

I turn now to the hon. Gentleman's questions about the experience assessed when looking at franchise bids. The current rules require bidders to demonstrate a track record of operating transport systems, not necessarily in rail. Recent competitions have said that it should cover a period of at least two years. However, a completely new organisation might be able to meet that requirement by showing that its management team and work force have such a record. The issues discussed by the hon. Gentleman could be taken on board in the assessment of whether the potential bidder had the right track record to give us confidence to take their bid seriously.

A new and small organisation may have less experience than other bidders and will, therefore, find it harder to get through this stage, especially if it is interested in one of the larger, more complex franchise opportunities. My officials have an open door policy for people who want to get into the rail franchise market. I am happy to meet the delegation from ASLEF that the hon. Gentleman mentioned. It is useful to put it on the record here that if there are others—whether they are commercial operators, mutuals or not-for-profit organisations—that are interested in bidding for a rail franchise, we are willing to talk to them, and my officials are happy to advise them on how to grapple with what everyone accepts is not an easy process.

The hon. Gentleman advocated waiving or reforming some of the requirements in the case of a bid by a mutual. Removing the financial standing and technical capability factors or compromising them would import

[Mrs Theresa Villiers]

some real risk to franchisee financial resilience. That is my anxiety about what he advocates. If we were to waive the experience requirements in relation to a mutual, we would have to make the change for all potential bidders. That would reduce our ability to consider the track record of the major franchise operators that are currently in the market. The EU rules on equal treatment and non-discrimination mean that we have to treat all bidders the same and assess them against the same criteria. Therefore, anything that we do to help a mutual or co-op would also have to be offered to a commercial operator. If we were to relax the requirement on a track record, we would not be able to assess the previous experience and performance of the only groups that currently hold franchises. There would be public anxiety if the track record of train operators could not be considered in the award of new franchises. Moreover, the existing process is a further incentive and addition to the other regulatory mechanisms. We must keep performance levels high. To get through this difficult process, I encourage any mutual or co-operative that is considering bidding to approach my officials to get further advice.

The hon. Gentleman referred to the Go! Co-operative. I am delighted that we have that as an example of a co-operative that has expressed interest in running open access services. I gather that it would like to operate services linking main lines to some smaller market towns. I am told that it has identified a route from Yeovil Junction to Oxford for its first proposed services and that it hopes to commence operation during 2011. That is a welcome initiative. It is not for me to say whether it will get its paths or even get the operation off the ground. None the less, I very much welcome its involvement in the rail industry. There are also examples of small community-based companies running services, such as the Wensleydale railway in North Yorkshire, which has taken on a branch line from Northallerton to Redmire and is running passenger services.

I want to touch briefly on one last area. The voluntary and not-for-profit groups are already successfully engaged with the UK's railways: I refer to community rail partnerships. The Government are very supportive of such partnerships and the work that they do. They have successfully brought additional passengers to many lines and helped to build up services and make better use of redundant property. For example, the Devon and Cornwall rail partnership works with the train operator in selling tickets at a number of locations. It encourages rail use by making it easier for the public to buy tickets. Partnerships such as South Fylde, Leeds to Morecambe and the Clitheroe line have produced impressive promotional material. Others such as the Bittern line in Norfolk have run successful promotional events. Almost all partnerships see the voluntary sector involved in improving and maintaining station facilities. There are numerous examples of local enthusiasts devoting huge care and attention to station gardens and floral displays. Right across the country, from Penmere in Cornwall to West Runton in Norfolk and Green Road in Cumbria, we see the visual evidence of the value of the work done by the voluntary and not-for-profit sector on our railways.

To conclude, the Government fully recognise and value the contribution made to the rail industry by the community-based and not-for-profit sector. I was interested to hear the hon. Gentleman's example of co-operative cleaning services. I have no doubt that there are other areas in which mutuals and co-operatives will get involved in rail supply services. Rail franchise procurement processes can present a daunting challenge to any organisation, particularly those that have not operated a similar contract before. That is why my officials offer an open door policy for potential bidders. If a mutual or co-op expresses an interest in running a rail franchise, we will not place extra barriers in their path. They will be subject to the same rules and requirements as commercial operators. If they can meet the accreditation criteria, they can bid for a franchise. If they offer the best deal, they can win a franchise. It is as simple as that.

S4C

4.57 pm

Guto Bebb (Aberconwy) (Con): When I requested this debate on the future funding of S4C, I had not anticipated that events would move so quickly. It is fair to say that for many in Wales, the future funding arrangements for S4C have been a very visible and easily understood example of the hard choices that we as a country now face in dealing with the deficit and the debt problems. This coalition must get to grips with those issues and the mess that the previous Labour Government left us with.

No one can deny that S4C has an important place in the cultural landscape of Wales. It is important to be aware that the way in which the channel came into being is a key reason why its future funding arrangements are extremely important for many people in Wales. After all, it is the only Welsh language broadcaster in the world. Let me give a bit of historical context. The channel was launched in 1982 following a long and very public campaign, which was supported by all strands of Welsh society. It is worth noting that the decision to establish S4C was taken by a Conservative Government back in 1980.

Despite all the doubts that were expressed about the viability of a Welsh television channel, it is important to note that initially S4C proved to be a great success. The success of the channel in the early years was very much a reflection of the fact that there was a mix of Welsh programmes during the peak hours and Channel 4 programming that also attracted non-Welsh speakers. There is no doubt that the initial few years of S4C were very successful. There was a period in the 1980s and 1990s in which audience figures were often in excess of 150,000 for peak-time viewing.

Hywel Williams (Arfon) (PC): On a point of order, Mrs Brooke. May we adjourn the debate for a moment because there is a Division in the main Chamber?

4.59 pm

Sitting suspended for a Division in the House.

5.10 pm

On resuming—

Guto Bebb: As I was saying, Mrs Brooke, S4C's initial period was successful, but it is important to note that it was more than just a television channel. The establishment of S4C unleashed creativity across Wales that led to the creation of a Welsh independent television sector, which prospered not only in Cardiff but in west Wales and Caernarfon in north Wales. That was undoubtedly a successful period for the channel, and that sustained period of success resulted in changes to S4C's funding arrangements in 1991 that established a link with the retail prices index. That link has been questioned recently, and has been in the news.

Alun Cairns (Vale of Glamorgan) (Con): Is my hon. Friend aware that the document that S4C presented to the Department for Culture, Media and Sport on the request for budget savings said that the link with RPI went back to 1982? Is he not surprised that the document contained such a factual inaccuracy? Is it not indicative of the quality of the document submitted to the Department?

Guto Bebb: That might be surprising. The point that I want to make is that I believe that the RPI link has been a double-edged sword for the channel in many ways. In my view, the RPI link was crucial to giving S4C operational independence, because it created a feeling that the broadcaster would be independent of Government intervention. Anybody who believes that a public broadcaster should be free to broadcast whatever it desires would obviously welcome that link and the freedom that it gave S4C to pursue its own requirements. In many ways, therefore, the RPI link was a positive thing.

However, S4C had to pay a price for that link. The problem with a funding arrangement allowing for year-on-year increases was that it created a growing feeling that the channel and its management were becoming divorced from the people whom they served. When S4C's viewing figures fell, the channel felt that there was no need for S4C to respond, because regardless of whether it was successful and getting the required audience figures—although in many cases it was—it was almost immune to the realities of falling audience share, because year on year its budget would increase.

Although I believe that the RPI link gave S4C a degree of independence from Government, which is crucial, it also created a comfort zone for the channel, so I do not mourn the loss of the RPI link in determining how the channel is funded. However, little did I know when I was putting together my notes that the RPI link would be the least of the issues that we would discuss today.

Owen Smith (Pontypridd) (Lab): I am enjoying the hon. Gentleman's history lesson about S4C's funding, but as he said, we have been overtaken by events today. There are more pressing matters of funding that need to be addressed, and that is what my intervention is about. Is it not true that regarding S4C, today's announcement was a shambles in terms of detail? A rather more interesting and important problem with the documentation is that two versions of the comprehensive spending review are currently available, one of which includes figures about S4C and how much funding it will receive from DCMS and the licence fee. There is a suggestion that £70 million will come from the licence fee—

Annette Brooke (in the Chair): Order. Interventions should be brief.

Owen Smith: It is a question for the Minister, in that case. Can he tell us what the figures are?

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): You cannot question me.

Owen Smith: Well, then, it is a question for the hon. Member for Aberconwy (Guto Bebb). Would he like to answer a question about the figures?

Annette Brooke (in the Chair): Order. I think that this intervention has been long enough.

Guto Bebb: I believe, obviously, that one reason for having this debate is that the Minister is here and can respond in due course. The fact that there was a leak last night was problematic, but I am sure that the Minister will respond in due course.

Albert Owen (Ynys Môn) (Lab): I congratulate the hon. Gentleman on securing this debate on this important day, although I know that he did not plan it to coincide with the announcement. He said that independence was important and allowed diversity in Welsh media broadcasting. Does he therefore agree that giving ownership to the BBC will diminish S4C's independence in future? Before the general election, the then shadow Secretary of State, now the Secretary of State, said that plurality was the most important thing. Will the developments harm or increase plurality?

Guto Bebb: I am coming to the question whether the decision to link S4C to the BBC will affect its independence.

5.16 pm

Sitting suspended for a Division in the House.

5.23 pm

On resuming—

Annette Brooke (in the Chair): May I point out that interventions should be short? Mr Guto Bebb, you must watch how much time you are leaving for the Minister to respond when accepting interventions.

Hywel Williams: On a point of order, Mrs Brooke. This debate is hugely important for Wales, and for once Welsh MPs have the opportunity to say something of significance at a time when doing so will have some effect. Is there any way it is within your powers to award us double injury time, given that we have had so much disruption?

Kevin Brennan (Cardiff West) (Lab): Further to that point of order, Mrs Brooke. This is a very important debate because one of Mrs Thatcher's great reforms was to try to ensure that the Welsh language was not a party political matter and that it was put in a place where we could all agree consensually on the subject. Now that the Government have decided to play fast and loose with the Welsh language in this way, is it not appropriate that we should have a longer period to debate the subject? That would allow all hon. Members who have come along to show an interest in the issue the opportunity to contribute their thoughts.

Annette Brooke (in the Chair): Order. I am sure that hon. Members who have been in the House for some time are aware of the limitations of the Chair. Of course, any hon. Member here could have applied for an hour and a half Adjournment debate and they could still do so in the future—a course of action I would recommend. Obviously, all the time lost from the Divisions will be added to the end of the debate. I call Mr Guto Bebb.

Guto Bebb: I shall just finish responding to the intervention by the hon. Member for Ynys Môn (Albert Owen). Yes, the plurality and the independence of S4C are important; I will ask a question on that subject at the end of my speech.

The fact that the RPI link has gone means that we are in a much more serious situation. I would like to point out that the issue of the audience figures became very important during the review of funding for S4C. The RPI issue contributed to a lack of regard for the audience figures, but we still need to clarify the fact that some of the S4C audience figures that have been bandied around are not particularly accurate. I have my own concerns about the fact that the Broadcasters' Audience Research Board viewing panel in Wales is possibly not sufficient to provide a proper audience figure.

Mr Mark Williams (Ceredigion) (LD): I congratulate the hon. Gentleman on initiating this important and timely debate. On the point about viewing figures, would he acknowledge that one of the great successes of S4C that should be recognised—this is not borne out by the viewing figures—is the work that is being done in relation to young people's and children's television? That work is very important to the Welsh-speaking communities that many of us represent, and it is not acknowledged in the figures.

Guto Bebb: The hon. Gentleman jumps ahead of me. That is exactly the point I was going to make. In addition to the question marks we have over the BARB panel in Wales, my family are a very good example of why there are problems with the viewing figures. It is true to say that S4C has made an important decision to invest in the content of children's television, and I think all hon. Members in the Chamber would welcome that. In my family, seven people live at home; five watch a lot of S4C and two unfortunately do not watch a lot of S4C. The two people who do not watch a lot of S4C are counted in the figures, whereas the five people who do are not included because they are children. My twin boys, who are six years old, would certainly be very annoyed that their viewing habits, which involve Cyw, are not included in the figures. So there are question marks over the S4C audience figures—specifically, the serial viewing figures. In addition, we should not deny that there are serious question marks over the audience figures at peak times.

David T. C. Davies (Monmouth) (Con): Would my hon. Friend not acknowledge that if the figures are as large as S4C sometimes makes out, it should be raising more than £3 million from advertising, which is roughly just 3% of its total budget—as of today, anyway?

Guto Bebb: That is an interesting contribution. The viewing figures are a cause for concern in many ways. There are good reasons to defend some of them, but we have a situation in which occasionally as few as 19% of programmes manage a figure of more than 10,000 during peak time viewing. That is a real concern. As a result, there has been a serious discussion about whether S4C can justify the funding that it receives. I believe passionately that S4C can justify that funding.

Mr Wayne David (Caerphilly) (Lab): The hon. Gentleman is being very generous in accepting interventions. Whatever we might think about the viewing figures or the funding formulae that have been used in the past, today's announcement has been made without any consultation

whatsoever with S4C. He surely must agree that that is reprehensible and possibly leaves the matter open for a judicial review.

Guto Bebb: The hon. Gentleman should possibly allow the Minister to explain what sort of discussions have taken place. If there have been no discussions, I am sure that will be made clear in no time at all.

Mr David: What is the hon. Gentleman's view?

Guto Bebb: My view is obviously that any decision of this nature should involve a degree of consultation. We need to be aware of the fact that there is a question mark over the matter, when the viewing figures indicate that the contribution of the channel to the Welsh language is not as important as it should be. So, we are where we are and we need to think carefully about the way forward.

Paul Flynn (Newport West) (Lab): Although the hon. Gentleman's points are fascinating, we should go back to why S4C was set up. I was very much involved in the matter at the time because I was chairman of the Broadcasting Council for Wales. S4C was set up by Mrs Thatcher as a volte-face. She was reading Irish history at the time, and there was a very strong reason why she decided that S4C should be put in place: it was to avoid linguistic divisions in Wales. S4C was established to provide a full service for both communities in Wales—those who speak English predominantly and those who speak Welsh. We cannot judge the value of S4C purely on the basis of the number of viewers it has; there is a much deeper reason why it exists.

Guto Bebb: I acknowledge that there were deeper reasons for establishing S4C, but we must also recognise that the channel needs to serve the people of Wales, whether they are Welsh speakers, Welsh learners or non-Welsh speakers. There are question marks over whether the viewing figures are disappointing at times and whether the channel is doing what it should be doing. The feeling that the channel has moved away from the people it is supposed to serve is demonstrated, I believe, in the campaign that we have seen during the past few weeks in response to the potential threat to the channel. Even the Welsh Language Society, which no one could doubt is committed to the channel, is arguing for fair funding and a new S4C, because it believes that the current channel is perhaps not performing as it should.

When we talk about S4C, we often mention the wider cultural and economic implications, but it is interesting to note that the channel's economic contribution has changed considerably over the past 20 years. The way that it once created new industries in parts of west and north-west Wales has certainly changed dramatically, and the loss of the Barcud studios in Caernarfon is an indication of that change and shows that the economic argument needs to be looked at again.

It is crucial that we move on and consider the future challenges that we face. Last night it was announced that the BBC would be taking over the funding of the channel, so there is now a need for clarity on the nature of the proposed settlement. We should acknowledge that the Department for Culture, Media and Sport has accepted the argument for having S4C, which I appreciate. It is likely that the channel's funding will be transferred to the BBC from 2014, so I would like to ask the Minister a few questions on what we have heard in the media and from the Chancellor this afternoon.

Will the funding for S4C be safeguarded within the BBC, and by what mechanism? It is all very well saying that the money will be forthcoming from the BBC licence payer, but by what mechanism will the S4C budget be protected within that licence fee? We are all aware that during the past four months the BBC has announced a 17% cut in its programming for S4C, with very little consultation, so I would like some clarification on that point. With regard to my earlier point on plurality and editorial independence, if there is a change in the funding mechanism for the channel, it is imperative that there is clarity about editorial and programming independence. I am sure that the Department can respond to that point.

Despite what I have said about S4C's economic contribution, the channel does play a key role in supporting the cultural industries in Wales, especially independent television producers. If a pot of money from the BBC licence fee is to be made available for S4C, would the Minister clarify whether it will be ring-fenced for the independent producers, rather than swallowed by the BBC? Finally, we need assurances on the future funding for the channel, because if the decision for the BBC to take responsibility for that funding is to go ahead, I would like to know where we will stand not only in 2014, but in 2016 and beyond.

Hywel Williams: Before the hon. Gentleman concludes his remarks, would he tell Members whether he agrees with the scale of the cuts—25%—that have been reported? What is his opinion on that matter?

Guto Bebb: I have made it fairly clear to many constituents that I believe that a cut in S4C's funding can be justified, as long as it is in keeping with the general cuts that the Department is facing. Having spoken with numerous television companies in Wales, I believe that the feeling is that, with greater efficiency, a cut of around 20% is manageable, but that anything more would be problematic. I hope that the cut will be about 20%, and no more than 25%.

I could ask the Minister many more questions, but I think that he has probably realised from the debate that there is a degree of concern about the transparency of the announcements, which I believe is no fault of the Department—the BBC got hold of the story. However, we need some clarity on the announcement. I have asked several questions, but I should be delighted if he would expand on those and comment on the critical issues that have been raised by other Members. Ultimately, we need to remember that we are all here because we are convinced of the need for a television channel broadcasting in Welsh and feel that, whatever settlement is made as a result of today's announcements, it should be a long-term settlement, not a short-term response to a current fiscal crisis.

Annette Brooke (in the Chair): Before calling the Minister, I remind Members that the debate will finish at 5.47 pm.

5.35 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): It is an honour and a privilege to serve under your chairmanship, Mrs Brooke. I congratulate my hon. Friend the Member for Aberconwy (Guto Bebb) on securing this timely debate, which has allowed Members to consider the future not only of S4C, but of Welsh language programming and its funding levels. I want to put on the record the Government's support for Welsh language programming and S4C's continuing role in it.

Jonathan Evans (Cardiff North) (Con): On that point, I point out to the Minister that S4C's headquarters are based in my constituency and that I have met its executives to discuss the situation on a number of occasions. I have advised them to engage with him. I have a copy of a statement made by S4C's chair:

"I am astounded at the contempt that the London government has shown not just towards S4C, but also towards the Welsh people and indeed the language itself."

Would the Minister like to deal with that statement?

Mr Vaizey: I will use my hon. Friend's intervention to make it absolutely clear that my hon. Friends have been assiduous in putting the case for S4C, and they have been not a little successful in doing so. If anyone is to be accused of contempt for S4C, it is certainly not Conservative Members in Wales; as my hon. Friend the Member for Aberconwy noted, S4C was established by a Conservative Government. I do not want to make the debate any more heated, so I will not comment on the chair's specific remarks—my hon. Friend the Member for Cardiff North will have to forgive me, but discretion is the better part of valour. I will point out, however, that we are not a "London Government" but the Government of the United Kingdom, and we have to make decisions with the interests not only of the Welsh people at heart, but of the people of the whole United Kingdom.

Hywel Williams: Would the Minister tell Members when the chairman of S4C and the Welsh Assembly Government's Minister for Heritage were informed of the Government's decision?

Mr Vaizey: I cannot give the hon. Gentleman an answer off the top of my head, but I will do so as soon as my officials make that clear to me. Alternatively, I can let him know in writing, or by answering a written parliamentary question.

Several hon. Members *rose*—

Mr Vaizey: I remind hon. Members that I have only 10 minutes in which to make my case.

Paul Flynn: Before the Minister rewrites history, I remind him that the Conservative Government turned down the idea of a fourth channel in 1979. Mrs Thatcher changed her mind under duress because Gwynfor Evans was touring Wales and claimed that he would starve himself to death if there was no fourth channel. She had been reading Irish history at the time and did not want a martyr in Wales, which could have caused all kinds of problems. It was not an act of generosity or good sense on the part of the Conservatives.

Mr Vaizey: We can spend the debate looking backwards or forwards. I want to look forward, as I believe that S4C has a bright future under the Government's proposals. As so much of our discussions come down to funding, I will make it clear that in the financial year 2011-12, S4C will receive £90 million, which is a substantial sum of money. By 2014-15, the channel will receive a total of £83 million, which is still a substantial sum of money. My hon. Friend the Member for Aberconwy referred to S4C's £3 million of commercial income, which he felt was a low sum of money. Nevertheless, it is £3 million, and S4C has £27 million in reserve, which is available to spend on its statutory duty. To my mind, that is a substantial sum of money for securing the future of Welsh programming.

Alun Cairns: I congratulate the Minister on the figures that he just announced, because they are a significant pledge of support to S4C. How do they compare with the cuts that the Department and the Government have had to make as a result of the financial position that we inherited? Will all of that money be output-focused and spent on independent production companies? Will the BBC in any way be able to siphon it away under the suggested arrangement?

Mr Vaizey: My hon. Friend makes very important points. Overall, the Department agreed with the Treasury a 24% to 25% cut, so S4C is not being singled out. In fact, in mentioning the BBC, he reminded me that if we take the £90 million, the £3 million of commercial income and the £27 million of reserves, we still have not counted the equivalent of £20 million of free programming that is already available from the BBC for S4C. That is a substantial sum.

Given the important representations made by my hon. Friends over the past few weeks on the future of S4C, and the interest that the people of Wales take in the future of S4C, I know that parts of this debate will play on the news tonight in Wales. People in Wales will be watching this debate, perhaps on BBC Parliament, and I want them to know about the £90 million next year, the equivalent of £20 million in programming from the BBC, £3 million in commercial income and £27 million in reserves. I have enough faith in the people of Wales to believe that they will look at the funding figures for S4C and think that they are generous, so for the Opposition to depict this move as an attempt to undermine S4C is an outrageous travesty of the truth. *[Interruption.]*

Annette Brooke (in the Chair): Order. If the Minister is not taking interventions, he is not taking interventions.

Mr Vaizey: I was not taking interventions because I wanted to finish my point, but I will take one now.

Hywel Williams: May I point out that the Chancellor today announced that the funding for the London Olympics of £9.3 billion will be maintained, that there will be capital spending on Tate Modern, the British Museum and the British Library—all in London—and that the Arts Council England and Sport England budgets will be reduced, but only by 15%? Those institutions are of huge cultural significance to the United Kingdom

in general and specifically to England, yet a similar institution in Wales, S4C, is being cut by 25%. How can the Minister defend that position?

Mr Vaizey: The hon. Gentleman knows that the 25% cut is the same as the Department's cut, and he will no doubt be delighted, given how he wants to portray the situation, that culture is a devolved matter for Wales. However, let us also discuss future arrangements. *[Interruption.]* I want to move on to a new point.

People have talked about a lack of consultation. The BBC will not take over responsibility for S4C until 2013-14. The Welsh Affairs Committee has announced an inquiry into S4C, so there will be plenty of time for people to make representations about the situation. *[Interruption.]* Let me set out a few markers so that when interventions are made by the Opposition they can be made in a timely and forensic fashion.

First, the editorial independence of S4C will be guaranteed, regardless of the fact that it will be funded by the BBC. In response to my hon. Friend the Member for Vale of Glamorgan (Alun Cairns), absolutely 100% of the content budget will be spent on independent production, as it is at present. That, of course, is the content budget, and S4C obviously has an administration budget as well. The BBC will not be in a position to siphon off money for promotion on BBC channels. It will be for the BBC and S4C, in the two years that they have to put the arrangement in place, to talk through the exact details of how the money will be used.

Ian Lucas (Wrexham) (Lab): On a point of clarity, will the changes that the Minister is rattling through at the moment require legislation?

Mr Vaizey: As the hon. Gentleman knows, the public bodies Bill will include a clause to break the retail prices index link. I have no doubt that he and his colleagues will be able to get on their feet during its passage and state what the Labour party's position is. Will Labour Members table an amendment to retain the link with inflation, and to insulate S4C from the difficult financial decisions that many other bodies are planning to take? If not, what is the Labour party's position? Is it to restore the funding of S4C to 2010-11 levels and take it up to what it might have been in 2014-15? Does it not support the BBC taking responsibility for the funding of S4C, although it remains independent?

Kevin Brennan: Sophistry.

Mr Vaizey: The hon. Gentleman calls that sophistry. I call it simple, direct questions. Opposition Members are playing politics when they know full well that S4C has a very generous funding settlement, has substantial reserves, has a place in the heart of the Welsh people, and has huge support from Conservative Members of Parliament in Wales who have lobbied Ministers assiduously on behalf of S4C. If that is sophistry, I would like to know what is not.

Ian Lucas: The Minister talked about S4C and the BBC consulting over a two-year period. When will the legislation be brought forward? Will that be a matter of weeks?

Mr Vaizey: We are introducing a public bodies Bill, and under the coalition Government, Parliament has plenty of time to debate Bills in a way that was impossible under the previous Government, who seemed to find the guillotine almost as attractive as Robespierre.

I look forward to hearing Labour Members making their points, and I leave the debate with this reassurance for hon. Members. The Government are committed to Welsh language programming, we are committed to the future of S4C, and we have put in place a generous settlement for S4C. I have been bowled over by the energy and enthusiasm of my Welsh colleagues and their defence of S4C. It will be interesting to hear the Select Committee inquiry under the excellent stewardship of my hon. Friend the Member for Monmouth (David T. C. Davies). We are moving forward with a bright future for S4C.

Question put and agreed to.

5.47 pm

Sitting adjourned.

Westminster Hall

Thursday 21 October 2010

[ANNE MAIN *in the Chair*]

Cutting Crime (Justice Reinvestment)

[Relevant documents: First Report from the Justice Committee, Session 2009-10, HC 94-I, and the Government response, Cm 7819.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Crispin Blunt.)*

2.30 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): I am pleased, Mrs Main, to serve under your chairmanship, and to have the opportunity of debating this report, which has been around for some time. It is from the 2009-10 Session, and represents the culmination of an extensive inquiry that took place over two years. It was a unanimous report, and I pay tribute to the members of the Select Committee who took part in it. I particularly single out the right hon. Member for Cardiff South and Penarth (Alun Michael), who is here this afternoon and looking ready to take part in our proceedings. He has a lot of experience in this area, and made a major contribution to our deliberations, as did many then members of the Committee.

I also pay tribute to the Committee's staff, who gave us such excellent support in producing the report, and to the many organisations and individuals who were witnesses in person, who submitted memorandums, or who took part in e-consultation. We received a lot of evidence, and we gave it a great deal of attention. The report was extremely well received by many organisations working in the field.

I shall remind hon. Members of the context. The previous Government had announced that their solution to prison overcrowding, likely further demand, and the use of police cells was to increase capacity to 96,000 prison places by 2014. The Committee was worried that a predict-and-provide approach to the problems was not sustainable in the long term. That was the approach that Lord Carter had recommended in his December 2007 review of the use of custody, but we thought it was short-sighted and could not be maintained.

We wanted to consider whether committing further resources to prison building represented the best possible way to improve public safety, and to reduce reoffending in the context of a fall in recorded crime rates and under-resourced probation services. Interestingly, there has been another fall in the recorded crime rate today—an 8% fall and a 4% fall in the British crime survey figure. I am not claiming that that is success for the coalition Government, any more than I supported the claims that the previous Government sometimes made about the fall in crime. Movements in crime statistics respond to all sorts of things, and have a curious way of being similar throughout neighbouring countries, and indeed throughout much of Europe. We are sometimes in danger of exaggerating our impact on total crime figures, although the system, through the good work of good people, is having a significant impact on the lives of many people who become involved in crime. I pay tribute to those who work in the criminal justice system and whose efforts have turned people away from crime, thereby saving other people from becoming victims of crime.

The fundamental issue is that the first duty of the state is to protect its citizens and keep them safe. We spend well over £5 billion on the criminal justice system in England and Wales, and billions more on policing and the social, health and business costs of crime. We owe it to taxpayers to calculate whether we are spending all that money in the way most likely to prevent them from suffering the effects of crime, but the reoffending rate of ex-prisoners is so high—two thirds of prisoners go on to reoffend—that it seems that we are not. Some offenders are so dangerous that they must be kept in prison or in secure mental institutions for very long periods, but for many, custody is an expensive way of not solving the problems that they present.

A number of things have happened since we produced our report. The previous Government published their response, which accepted much of our analysis, but did not accept or were rather lukewarm about the route that we had identified to deal with the problems. That might be attributed in part to the pre-election atmosphere, but it also reflected the strongly held views of the previous Lord Chancellor.

The situation has changed dramatically for several reasons. First, we have a different Government with a Lord Chancellor who holds different views from those of his predecessor, and is never slow to express them. Secondly, there is a very serious financial crisis which both Government parties and the Opposition recognise requires substantial cuts in public spending. They may disagree about precisely how much and precisely where, but there is common ground between the parties. That has caused the coalition Government to shelve plans that the Committee criticised for a 1,500-place prison, and to make deep cuts in the departmental budget of the Ministry of Justice, which will affect spending on probation and other services that provide alternatives to custody.

The Committee was not unaware of the difficult financial situation. In the report's summary—we are talking about December 2009—we said:

> "Public expenditure generally is under pressure in all areas in the worst economic climate since the Second World War. The Ministry of Justice is no exception, being tasked with finding £1.3 billion worth of cost savings over the next three years."

The situation was bad then, and cuts had to be made, but it is recognised that the position is worse now and even more demanding. There are two differences: the change of Government and an even more serious financial situation. The third is that the Government are developing ideas such as payment by results and social impact bonds, which we did not examine and which were not part of our report. They are new elements in the discussion.

In our report, we concluded that after the election the Government would face a choice of risks: to muddle through with the previous plans to build more prisons in the hope that commitments made under the predict-and-provide model would prove to be affordable and not merely to be a self-fulfilling prophecy; or to make more radical decisions and investments, putting the system on a sustainable footing in the longer term by shifting resources away from incarceration towards

[Sir Alan Beith]

rehabilitation and measures that prevent people from becoming criminals in the first place. It is far better to spend our taxes on preventing suffering from crime than on housing and feeding more and more people who have committed crimes and caused great suffering and distress in the process.

The report highlighted the fact that, although the prison population has increased as a direct result of the introduction of longer sentences and better enforcement, rather than an increase in crime, there were other contributory factors. They include the press, perceived public opinion and political rhetoric. Paragraph 36 states:

"Wider factors, such as the media, public opinion and political rhetoric, contribute to risk averse court, probation and parole decisions and hence play a role in unnecessary system expansion. ... A good deal of media comment assumes that sentencing is below the level that the public expect, whereas the evidence suggests that the public—when asked to make a judgment—set out expectations that are close to the levels that are actually being set by the courts... The Government should lead a public debate on the aims of criminal justice policy, and seek to influence, as well as to be influenced by, the public response...In basing arguments for reform on the best use of taxpayers' money, the political argument could be shifted away from notions about which party is 'harder' or 'softer' on crime and criminals to questions about the most effective use of scarce resources...It is time for an objective consideration of what is in the best interests of society".

I welcome the fact that the Lord Chancellor has recognised the importance of rational political debate and has tried to stimulate it. That is precisely what he did in his speech at King's college at the end of June, and I hope that we will see a move away from the numbers game that he said characterised the penal policy of the past 25 years. The key messages in the Committee's report were reflected in the Lord Chancellor's inaugural speech and those of other Ministry of Justice and Home Office Ministers. They have moved on from the previous assumption that a high and rising prison population is inevitable.

Even without a deliberate policy shift, yesterday's spending review made it clear that the financial situation made change unavoidable. In its report, the Committee drew attention to clear precedents that proved that it was possible to reduce the prison population and public spending without compromising public safety.

Finland successfully reduced its prison population over two periods in recent history when it decided that it could not afford to build more prisons. When we were in Finland some time ago, we questioned officials on why and how they had embarked on a substantial reduction in the number of prison places and people in custody. We expected a deep philosophical answer from the thoughtful Finns, but they said, "Well, the Ministry of Finance told us that we couldn't have any more money for prisons." It is remarkable how economic circumstances can sometimes create policy changes. Those changes did not result in any increase in crime in Finland, as some in this country might fear such a policy.

Some American states have become more sophisticated than England and Wales in their thinking about whether prison represents the most appropriate use of taxpayers' money, and they recognise that the expansion of imprisonment can come at the expense of new hospitals and schools. Those states faced the same choices as we do now against a background of historically high rates of incarceration.

Several US states have adopted "justice reinvestment" approaches. That term refers to criminal justice policy reforms that are designed to reduce prison spending by redirecting resources from inside and outside the criminal justice system towards more productive, locally-based initiatives to tackle the underlying problems that give rise to certain kinds of criminal behaviour. Hon. Members know the sorts of problems involved, such as unemployment, mental ill health or drug and alcohol dependency. Such initiatives are targeted at the populations that are most at risk of offending and reoffending.

Mr David Burrowes (Enfield, Southgate) (Con): I am grateful to my right hon. Friend for the work that he has undertaken over a number of years. The report on justice reinvestment has been long in the making and it is good to bring it to light. I know that there are a number of cricket supporters in the room, so early in his innings, I would like to bowl my right hon. Friend a full toss to whack away to the boundary. Does he agree that it was disappointing that the Government sought to compartmentalise their response by suggesting that the Committee overestimated the benefits that could accrue from moving towards a justice reinvestment approach, by distinguishing between less serious and more serious offenders when looking at the impact of early intervention and prevention? Plainly, early intervention will have an effect on whether a person ends up as a more serious or less serious offender. If we can get there early, we will save taxpayers and victims a lot of damage.

Sir Alan Beith: It must be remembered that that was the response of the previous Government. I found that part disappointing because it got into a circular situation. If we simply look at the present prison population, we are looking at the failures of the past. If we do not change the policy, the situation will continue. I will return to that theme later in my remarks. Catching people early is of vital importance. The people who initially commit relatively minor offences sometimes go on to become those who, through drug dependency or something else, get into more serious offences and become subject to repeat custodial sentences because of the ever more serious or frequent crimes that they commit.

In 2007, the Texas state legislature rejected plans to spend $0.5 billion on new prisons in favour of a justice reinvestment approach. Half that money was spent on expanding the capacity of residential and out-patient treatment for substance misuse and mental health, community-based sanctions for offenders and post-release support to prisoners. Parole revocations were reduced, and the increase in the prison population was 90% smaller than had been predicted. Significant savings were made within two years, because the costs of increasing the capacity of treatment and residential facilities were significantly less than the cost of increasing prison capacity.

The Committee gave a great deal of detailed consideration to how justice reinvestment approaches could be applied to the system in England and Wales. We believe that the system as a whole should be revisited through a lens that looks at crime as a problem to be

managed in a cost-effective way. A longer-term rational approach must be taken to policy and the diversion of resources. That would enable prisons that are currently stretched to deal more effectively with those for whom incarceration is necessary for public protection, and prevent the need for continued expansion in the number of prison places. Few hon. Members in the Chamber will not have visited prisons and seen the pressures under which prison officers work. Such officers desire more time and opportunity to devote to rehabilitative work. Ideally, they would work with smaller numbers of prisoners who need that kind of support, and they are anxious to provide it to them by using the skills that they have built up over the years.

We also suggest that probation services should be able to pay greater attention to those offenders who represent the greatest risk to the public. Lurking at the back of that is a problem to which I will refer later. We must find a way other than imprisonment to signify society's disapproval of crime. For some, community sentences can be more demanding than prison. The week before last, we took evidence from four ex-offenders during our work on the probation service. Two of those offenders said that they had committed offences in order to get back inside, because that was easier than the community sentence on which they were engaged. In one case, the sentence did not seem to work well, because the daily supervision requirement prevented the person from taking a job. In both cases, people had committed offences that they knew would put them back in prison, which was the easier option. That is not often recognised by the public, who see prison as the only way of saying that society will not put up with crime. We must demonstrate that community sentences can fulfil that function, as well as reduce the risk of reoffending.

A priority for the Government is to find a mechanism to overcome the fact that we treat prison in the system as a "free good." If the sentencer—judge or magistrate—has an offender before them, they may consider whether some form of rehabilitative treatment such as intensive supervision or a course of drug treatment, residential or otherwise, would be the right thing. Inquiries must then be made into whether that is available. If the sentencer says "prison", the van pulls up outside the door and takes the person away. The prison system and the National Offender Management Service recognise that it is their obligation to take whoever the court sends. However, there is an imbalance between the automatic availability of prison, and the uncertain availability of an alternative, which might be much better in a given case.

We thought that the most promising way to deal with that issue was probably the devolution to local agencies and communities of resources that are spent on corrections. The first step would be to look at how money is currently spent on offenders across the system in Government Departments and statutory agencies. We felt that a business case could be made to move resources from a significant part of the prison building programme, if the numbers entering or re-entering the system could be reduced by a sufficient margin before contracts were signed for new prisons.

The Washington State Institute for Public Policy looked at the cost of imprisonment to the state, and developed an alternative model of investment that primarily involved investing in rehabilitation programmes that would break even over five years and yield considerable savings thereafter. It is therefore possible to reap significant rewards by adopting justice reinvestment approaches over a 10-year period.

Fundamental change in the pattern of public expenditure is entirely appropriate during times of economic difficulty. When is it more necessary to look at how we are spending money than when we realise that we have not got as much as we would like? That requires the Government to recognise that change must be facilitated by some movement of money and spending in other areas. When changes cut across departmental boundaries and involve transfers between central and local government budgets, it is rarely an easy process. We are looking not only for justice disinvestment but for justice reinvestment.

In order to release resources in the medium term by halting the prison building programme, investment is required in the shorter term. We must identify where resources are currently being wasted or duplicated, and where quick wins could be achieved by reducing the prison population if that money were reinvested. The amount required for reinvestment is relatively small when compared with the resources that would have been committed to building and running 96,000 prison places.

The Committee's proposals are in line with what the previous Government sought to do—and significantly achieved—in diverting women away from crime. That explicitly linked the reduction of expenditure on women's prison places with the funding of new initiatives to improve community provision. For two years, £7.8 million per year was committed to provide additional services in the community for women offenders who were not a danger to the public. That was an attempt to reduce the female prison population by 400 by 2012, as recommended by Baroness Corston in her 2007 report. Those initiatives have already borne fruit in reducing the number of women in prison. The investment required was a tiny sum in the context of spending on prisons.

The previous Government had some similar success in reducing custody for young offenders. We may no longer need a free-standing Youth Justice Board, and it is going, but we should recognise that it helped to achieve a sharp reduction in custody as a way of dealing with young offenders.

In both cases, the significant element was that there was a commissioning process which created the opportunity to change the mix of custody and alternatives to custody that were available to sentencers. We argue that similar approaches should be adopted to deal more effectively with other groups of offenders, including low-level but persistent offenders, who frequently have problems with drugs, alcohol or mental health, or some combination of those things. The severely mentally ill could be dealt with more appropriately in the health care system.

Local services such as housing, drug agencies and mental health trusts, which could help to prevent people from reoffending when they are no longer in contact with the criminal justice system, are often under-resourced. Targeted investment in the areas where offenders and victims are known to live could ensure that services were more readily available, without having explicitly to prioritise access to offenders, whom the public would regard as a not particularly deserving target in themselves.

[Sir Alan Beith]

The right hon. Member for Cardiff South and Penarth brought to the Select Committee his knowledge of what was happening in Cardiff and the work done by an accident and emergency consultant there. I hope that he will find an opportunity to refer to that in the course of this afternoon's proceedings.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): It is just possible.

Sir Alan Beith: I am giving the right hon. Gentleman a prompt, but I am sure that he does not need it.

Short-sentenced prisoners frequently end up in custody after repeated community sentences. There is a need to examine why community sentences are breached and why some offenders continue to offend. We concluded that that was partly because the sentences are under-resourced. There are waiting lists for offender behaviour programmes and assessments for mental health and treatment. Probation officers typically have extremely large case loads, and often we are talking about people with completely disorganised lives who just do not get up in the morning. What they need is not a very short prison sentence but someone to bang on the door and get them out doing the community programme that they are supposed to be carrying out. They need someone to exercise some authority.

In the course of the inquiry on probation, we have spoken to ex-offenders, and what they said was very illuminating. They made it clear that they needed probation officers to challenge them, not simply to offer friendship and a cup of coffee, however desirable it is to establish a relationship. They needed probation officers to challenge them because, as they openly admitted, their behaviour needed challenging. Their unwillingness to do some of the things that they needed to do to turn their lives around needed someone with authority to challenge it.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): The right hon. Gentleman will recall that a fortnight or three weeks ago, we visited the Lambeth project—the so-called Sapphire project. In that project, if a person did not turn up for the unpaid work part of the probation order, he was visited by a police officer to get him out of bed. That is not a bad idea, in the circumstances.

Sir Alan Beith: The hon. Gentleman is absolutely right to focus on what we saw in practice. The Committee has tried to make it its business to get out and look at what happens in practice and what works. I commend the reports of our public evidence sessions and our future report on probation, which I hope will be as valuable in its own way as I think the report is that we are considering today.

Of course, we know what happens in the United States. When the federal Government want to do things, they offer money to states to do them. They do not have the power to make them, so they offer them money. They can use the grants system under the Criminal Justice Reinvestment Act 2009 to support or persuade state and local governments to analyse criminal justice trends to find out what is driving the growth in their local jail and prison populations; to develop tailored policy options to reduce corrections expenditure and increase the effectiveness of current programmes to make communities safer; and to measure the impact of those changes and develop accountability measures.

We found evidence of the potential for geographically targeted local initiatives to reduce expenditure if such partnerships and the agencies that make them up, including probation trusts, are free to use resources more flexibly. That is in line with the Government's emphasis on localism and the withdrawal of ring-fencing from local government. The first reaction of some people involved in the services is horror that a ring-fenced grant might now be used by the local authority for some purpose other than that for which it was originally introduced, but unless we give agencies, including local government, some freedom to move money around between different projects, innovative policies will not be developed. In this area, if agencies can work together and move money around a bit to where it is most effectively used, we can make progress.

We talked about needing to get in early. The Government made announcements yesterday in relation to school funding and pre-school education for disadvantaged children. That is a crucial area. Not just the criminal justice system but many other parts of our system are crucial in determining whether some youngsters get involved in crime. Giving youngsters a better start is a key way of reducing the likelihood of their being drawn into criminality. The concept of justice reinvestment includes the concept of early intervention. The child who has to be excluded from school has stepped on to the escalator that can lead to repeat offending and regular imprisonment in the future, so such initiatives are very relevant to justice reinvestment.

However, there is a risk that the financial climate will threaten existing initiatives that are proving promising. There is the Diamond initiative. I am trying to remember whether Sapphire and Diamond are the same scheme or two different ones, but obviously jewels are thought a good way of illustrating the fact that these are very valuable initiatives.

Mr Llwyd: I am advised that it is actually the Diamond initiative.

Sir Alan Beith: So we are talking about the same one. The Diamond initiative is delivered jointly by the Metropolitan police, local authorities and the London Probation Trust. Built on the principle of justice reinvestment, it has reoffending rates of 28% within six months of release from custody. That compares favourably with the 43% figure for those who have not received that intensive support and monitoring.

However, under the previous Government, there was a decline in crime reduction funding through local area agreements to local community safety partnerships. Those intensive options require partnership commitment and resources, which may be less readily available following yesterday's comprehensive spending review. I am anxious to hear what the Minister can say by way of reassurance on that. Until the Green Paper is published, it is unclear how the new Government will enable those partnerships to fulfil their statutory responsibility to reduce reoffending under the Policing and Crime Act 2009.

We proposed that if the Government could identify moneys that could be used to create a national justice reinvestment fund, there would be an incentive for local

partnerships to think creatively about ways of reducing crime and the use of imprisonment, pooling resources at local level and spending money in geographically targeted areas using the results of justice mapping. That technique, which was pioneered in the US and has been tried out quite a lot in Gateshead, for example, measures local needs and the existing flow of resources to particular communities.

The Government's aspiration to introduce payment by results draws on the experience of Kansas in implementing justice reinvestment approaches. It is not clear whether the Government will go about it in the same way, but some of the options that the Committee has been suggesting could be accommodated in the sort of programme that the Government are talking about. The national investment fund could be part of the big society bank, for example.

If the Government are to place greater emphasis on evidence-based, targeted approaches, determined at local level, means need to be found to provide practical support to local areas in analysing trends, devising new policies and programmes and measuring their impact. A cross-disciplinary centre of excellence, like the Social Care Institute for Excellence, could provide robust economic modelling of what is effective in reducing crime and inform the development of a national justice reinvestment plan. I hope that the Government consider that cross-departmental approach.

All of this has implications for sentences. There remains a great deal of geographical disparity in the consistency of sentencing, to which the Lord Chancellor drew attention in his King's college speech. Youth courts in some parts of the country are up to 10 times more likely to impose custodial sentences for certain crimes than their counterparts elsewhere. That cannot be explained by social and demographic factors alone.

It is often said by the judiciary that the sentencing of individual offenders should not be driven by the availability or otherwise of resources. In practice, of course, it is, but that is usually because of the scarcity of suitable alternatives to custody in a given area. Prison is always there; alternatives are not always there. It is nevertheless necessary to find a way in which recognition of scarce resources is built into the sentencing process.

We are concerned that sentencing policy, and the Sentencing Council, does not address the need for sentencers to have regard to the available resources and the relative costs of their sentencing decisions. There are few other public servants who are not required to be accountable to the taxpayer in relation to the value delivered for the money that they spend. In order to have such regard, however, sentencers need data on the cost-effectiveness of their decisions and on the outcome of sentences. We have been surprised at how little information comes back to the judiciary about the overall impact of the sentences that they pass.

I spoke earlier about the media and about the public debate on sentencing. The public rightly see prison as a necessary means of dealing with extremely dangerous people who would be a threat to public safety were they not in custody but, in many cases, public safety is not the major issue. A custodial sentence and its length seem to have become the only means that the public and the media feel they have of asserting the seriousness of the offence. That is why we see so many headlines in the press saying, "Yobs only got six months," or "Con man got less than a motoring offender" The relative significance of crimes is measured by the sentence length. When the community or victims want to assert that they will not tolerate a crime, they look for a way of expressing that abhorrence, and a longer custodial sentence seems to serve that purpose, even if it is of little or no use in ensuring that the offender does not commit further crimes.

For offenders who do not need to be in custody, we need strong community sentences to be recognised as a punishment—not as a soft option. For some offenders they already are, but there is a media obsession with custody that is not justified by custody's record in reducing reoffending. We are in a new situation, and there is a real chance to change things in a way that could reduce reoffending and make people safer from crime, at less cost.

In conclusion, we need to know three key things from the Minister. First, are Ministers ready to continue what the Lord Chancellor has started, by openly taking on the "prison works" argument and demonstrating that for many offenders custody is too costly and too ineffective to contribute as much to public safety as well-planned alternatives can? Secondly, how will a shift from the use of custody in appropriate cases be achieved, given that changes in sentencing principles will not work unless alternatives are widely available and the judges and the public are confident in them? Finally, and most important, how will Ministers prevent cuts in the Ministry of Justice budget from putting a roadblock in the way of the reforms that the Committee has advocated and to which the Government are now committed? What will be the impact of yesterday's announcements on the ability of Ministers to deliver the policy shift that they have signalled? I hope that the Committee, in its work, has provided an underpinning of substance and intellectual coherence for what I see as a radical policy shift of real potential value to the safety of the people of this country. I am very interested to know whether the Government will be able to continue that initiative.

Mrs Anne Main (in the Chair): I have letters from seven people who are hoping to catch my eye during this debate, and I also want to give the Minister and the Front-Bench speakers plenty of time for considered response. I hope, therefore, that everyone will keep that timing in mind.

3.3 pm

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): It is a pleasure to sit under your supervision today, Mrs Main, and I hope that I do not strain your patience too far.

I join the Chairman of the Committee, the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith), in paying tribute to all our colleagues across the four parties who were members of the Committee. I say four parties as an MP for the Co-operative party, which is the fourth-largest party in Parliament. We do have to remind everyone that we are here, some of the time. The partnership we are in is an open and honest pre-election one, which has lasted for many decades, and so it is worth drawing it to the attention of the House. I also join the right hon. Gentleman in paying tribute to the staff of the Committee—Fergus Reid and his team—and

[Alun Michael]

particularly to Gemma Buckland who gave enormous good service to the Committee by being good not only at producing evidence and thoughtful contributions, but at challenging members when we got a bit carried away, as we did on occasion.

I thoroughly enjoyed—if that is the right word—my three years on the Committee, and I pay tribute to the consensual way in which the Chairman sought to tackle some major issues. I have now gone on to try different pastures on the Home Affairs Committee, but the complementary nature of the agendas of those two Committees is something that we overlook at our peril. I am certain that the Justice Committee is safe in the hands of the right hon. Gentleman.

The point about justice reinvestment is that it is not an academic concept but a deeply practical one. It is not about being soft on crime—I underline the Committee Chairman's comments in that regard—but about being effective. It was interesting to discover the clinical approach in the USA, to which the right hon. Gentleman referred, which rather goes against the general image of how justice is dispensed on that continent.

There are two exemplary initiatives that the previous Government pursued—not without some challenges—and the right hon. Gentleman referred to them both. One was the previous Government's success in reducing youth offending at the same time as reducing youth custody, and the second was dealing with women in the criminal justice system. The numbers involved in those two groups are lower than the overall prison population, but we should take very much to heart the lessons about what worked.

In his conclusion, the right hon. Gentleman offered three challenges to Ministers, including whether Ministers are ready openly to take on the "prison works" agenda. We could ask a wider question: is Parliament ready to take on the "prison works" agenda? To my mind, it is only if the consensus on the way forward that developed in the Select Committee is reflected across the Chamber that Ministers will have the authority to do that. I hope that we will provide that sort of supportive opposition in the coming years. Secondly, the right hon. Gentleman was certainly right to say that there is a big challenge to ensure that the alternatives are available, and I shall come back to that in a moment. Thirdly, the really big challenge is ensuring that the cuts do not put a roadblock in the way of applying common sense to how we deal with criminal activity.

I want to focus on a small number of points. The first is the use of methodology in analysing crime, to find ways to prevent it. Crime mapping and the methodology of analysing crime has not been applied with the consistency that we might desire. Crime reduction partnerships have been a success, but the methodology has not been driven consistently at every level. The right hon. Gentleman referred to Jonathan Shepherd, who made the point that

"more imaginative use could be made of existing local data without extra cost, if it is collated by the partner agency electronically, anonymised"

as has happened with health information in Cardiff—

"and passed on to someone with the capacity to analyse it."

Since that was stated in the report, an appointment has been made jointly by the police and the health authority, so that data could be analysed properly and productively, without having to be transferred. It is striking that not only did the initial work of analysing data lead to steps that helped to reduce crime, but progressively it has been possible to drive crime down further and further.

The implication of some of the evidence that we received was that the skills of mapping and analysing crime are bedded in within the police, but not within other agencies. I rather suspect that there is a difference in methodology, in that local authorities are probably better at doing the longer-term mapping and projections and the police are rather better at taking the incident and asking, "What does this tell us that we ought to be doing today or tomorrow?" Ideally, the combination of that immediacy and that longer-term mapping ought to be a virtuous one, but I rather suspect that some of the time they rub up against each other and that that is one reason why the approach is not as effective as it should be. The approaches should complement each other, and it seems that they do in places such as Manchester and Liverpool. Where the partnership works it is immensely powerful, as the Home Affairs Committee heard from representatives speaking on behalf of the Local Government Association on Tuesday, primarily in relation to Liverpool and Merseyside.

The right hon. Gentleman rightly suggested that I might refer to Jonathan Shepherd's work, and I want to say why I think that that work is so important. Professor Shepherd came to see me at a surgery about 15 years ago. He said that, as a surgeon, he had discovered that he had, in effect, two in-trays. One was for those who had been injured in car accidents and the other was for those who had been injured in violent offences. He was struck by the fact that the in-tray for car accidents was getting smaller year on year, while the in-tray for incidents of violence was getting bigger, and he wondered why that was. Could it be that science and engineering skills are being applied to understanding motoring injuries, leading to developments such as air bags, seat belts and improved tyres and brakes, but that we are not applying the same skills of analysis to crimes of violence and driving policy forward logically?

The answer came when Cardiff's new crime reduction partnership tried an experiment. Professor Shepherd supplied a nurse scientist, the local authority supplied a victim support worker and the police supplied a police officer. All the incidents that resulted in people going into hospital were properly analysed. Two things came out of that. First, we thought that the statistics would be pushed up, because many offences were not being reported. In fact, that did not happen. The gain was fairly immediate. Secondly, we thought that the experiment would confirm what we already knew, which was that offending was by and large random across the city centre, but it did not. Instead, it proved that a couple of small locations and one large one accounted for a totally disproportionate number of the injuries that led to people putting a burden of cost, time and effort on the national health service. The benefits of the partnership's work were enormous in terms of reducing victimisation and the number of people who needed to be taken to court, with the consequences that that has for prison numbers.

We need to return to the methodology put in place in the crime reduction partnerships in the first instance. If that methodology is applied consistently, with requirements being centrally driven, but actions and decision making being local, we will have the best of both worlds. The methodology involved analysing crime and disorder; including the public's view, as well as police statistics, in analysis; setting priorities; developing a joint strategy that is clinically precise in targeting identified problems—there are a few words there that need unpacking fairly carefully if we are to understand their true significance; setting targets that are jointly measured; undertaking annual evaluation and recalibration; and returning after three years to renew the audit and the strategy so that the link between the facts, the community and the strategy is renewed.

The benefits are local targets and clear understanding. In that way, we have success at a local level driving national success, instead of targets being set under a more top-down system. Generally, the approach that I have described has been a success story, but immense benefits could be gained if the methodology were emphasised more clinically.

Claire Perry (Devizes) (Con): As a new member of the Justice Committee, may I say what an absolute pleasure it is to listen to former members, who did so much incredibly good work in the report, revisiting these issues and making an impassioned case for similar pieces of analysis to be carried out in the future? I wholeheartedly support that view. Does the right hon. Gentleman agree, however, that the one piece missing from the list of valuable items that he gave us is accountability? Before the election, I was lucky enough to be involved in work on the Conservative party policy on the rehabilitation revolution. One thing that really struck me—

Mrs Anne Main (in the Chair): Order. May I ask the hon. Lady to keep her intervention brief?

Claire Perry: Yes, I am coming to my point. One thing that really struck me was the lack of accountability in the system and the fact that one person should be responsible. I would be grateful if the right hon. Gentleman commented on that.

Alun Michael: It is not an individual who needs to be accountable, but the system. The way to ensure that that happens is to have the facts out in the open. It is tragic that, 12 years on, I still cannot get proper local analysis and information on trends in wards in my constituency. I know that the police are analysing the information they get and using it to inform their activity, and I know that the local authority and the police are working in partnership and sharing information, but it is not out there for individual members of the community. This is not about one individual—it does not matter whether they are an elected mayor, the chief executive of a local authority, a chief constable or whatever. Anything that depends on just one individual is doomed to failure; indeed, if I may say so, anything that depends even on one Minister is of limited value. It is a question of having transparency so that there can be proper accountability. To that extent, I agree with the hon. Lady. I am very much describing a system that allows proper accountability and transparency.

I referred to the work of Professor Shepherd in Cardiff because many lessons have been learned from it, but the real lessons—about applying a proper methodology and having transparency—have not been learned adequately or transferred to other bodies. Targeted policing has reduced licensed premises and street violence, as well as reducing violence-related A and E attendance in Cardiff by 40% since 2002. That is a 40% reduction in the number of people going over the A and E threshold for treatment. That is a much more effective measure than any of the general police or criminal justice measurements. That endorses some of the evidence from the British crime survey.

There is a second big point that I want to make. One reason why there is a muddle is that we are still not totally clear about the purpose of the criminal justice system. We need to be much clearer that it has a single purpose, which is consistent with what the Minister for Policing and Criminal Justice said in recent evidence to the Home Affairs Committee and with what Sir Robert Peel said when he gave his reasons for establishing the police service: the criminal justice system is meant to prevent offending and reoffending. If every agency focused on its contribution to that objective, rather than intermediate objectives, we would reach the point we all want to reach, with fewer people becoming victims.

I mention victims because we keep talking about their interests, and it is right to do so, but let us be clear about what we mean by that. I have been enormously struck by the clarity that has been offered on more than one occasion by Victim Support, which has said that what victims want, other than not to become victims of an offence in the first place, is to know that they will not become victims again. They want to know that something has been done about the activity that led to their becoming victims so that such things are less likely to happen in future.

One positive development in recent months has been the establishment of the Sentencing Council, which I welcome. I sat on the Committee that dealt with the legislation that introduced it. We should go a stage further by being much more precise about the council's purpose, and I tabled amendments at the time that I would have liked to make to the legislation. The council's purpose should be to analyse what works so that when sentencers take their decisions, they are fully cognisant of the likely impact on lessening the likelihood of further offences.

The report specifically refers to these issues. The Committee says:

> "We believe that the role of the Sentencing Council should be to ensure that sentencing practice succeeds in reducing offending and re-offending."

We talk about the need for the council to be

> "well-resourced to enable it to perform its research function."

We mention the time that it has taken for data to be adequate to inform decision making. We ask for the council to be told to

> "consider how sentencers can be given a better understanding of what works in terms of reducing offending and re-offending".

Ensuring that judges and magistrates understand the implications and likely effects of their sentences would help the whole criminal justice system and be very much in Ministers' interests. I could develop that point, but it is fairly clear and simple, and the report's recommendations are clearly set out.

Mr Robert Buckland (South Swindon) (Con): The right hon. Gentleman is right about the paucity of information that is available for sentencers. It is worrying that we rely on the public spiritedness, intelligence and inquisitiveness of judges and magistrates to determine the problems in their localities and reflect them in local sentencing, but there is no system to give them access to proper objective evidence and information. I am grateful that the right hon. Gentleman has highlighted that point.

Alun Michael: We went through a period when sentencers were almost discouraged from going to see what was happening. In my time on the bench, which was quite a long time ago, I used to spend time, particularly with respect to youth justice, going to see where we were sending people. That included community as well as custodial disposals. It was invaluable. Under the previous Government, we moved back to encouraging sentencers to engage in an understanding of the places where people were to go. However, it is clear from work done by charities that more could be done, and that not enough is known, particularly by judges, who have a disproportionate influence, through the training programme, on the decisions of magistrates. They set the tone. A lot needs to be done in that area.

Incidentally, the issue of purpose arose elsewhere. The Committee also undertook an inquiry into the role of the prison officer, which overlapped with the later stages of the justice reinvestment work, and I want to draw attention to one of our conclusions:

"The aim of imprisonment should be to reduce re-offending, while treating prisoners with humanity and keeping them appropriately secure."

That clarity of purpose should be reflected in the aims and objectives of the prison service, and in the way in which its activities are measured. If lots of other things are used as measures they get in the way of that overall objective.

It is important for us to mainstream the objective of reducing crime and reoffending. In the report on justice reinvestment we said:

"We are concerned that there has been low take-up of crime-related indicators in local areas and we believe that local strategic partnerships should better reflect the priority given to crime as a matter of public concern both nationally and locally."

That is something that local MPs and councillors have, in my experience, always considered important, because it is important to their constituents. Therefore it is not impossible, if the information and data are adequate, to achieve coherence. There is a need for coherence across several Departments—we refer in the report to the Home Office, the Ministry of Justice and others—to ensure the most appropriate allocation of resources to reduce crime. The report states:

"A considerable amount of management information about offenders is held locally by prisons, probation areas and other providers which, if captured centrally, would provide a wealth of material to support the case for cross-departmental reform."

The idea that reform should be cross-departmental is important, because most of the resources that affect offending, for good or ill—the resources that, if applied in the right way, lead to a reduction in reoffending, or, if not properly applied, lead to a likely increase—lie outside the criminal justice system. That, too, is highlighted in the report.

One of the things that worries me most at present is the decision made in rather too much of a rush by the incoming Government to cut the support for, and the pledge to, unemployed young people. I do not say that just to be oppositional. I came into national politics because I worked with unemployed young people and saw their hopelessness. It was what led me to decide we needed to change things nationally. That is going back to the 1980s. I believe that the end of the pledge was foolish and short-sighted, but, more to the point, in relation to the criminal justice system, it may turn out to be a very expensive step. It was meant to save money, but I believe it will prove expensive. The drivers of offending and reoffending, or the things that can reduce them, are education or the lack of qualifications, basic skills and employment-related skills; drug rehabilitation or its inadequacy; mental health—we know that mental health problems are the trigger for the activities of many people who end up in prison; and housing. Those are the four drivers of the apocalypse of reoffending, so to speak. There is a need somehow to connect those four areas of provision and efforts to reduce reoffending.

If I were to include a fifth element it would be relationships. We underestimate the extent to which relationships or their lack, or failure, drive offending and reoffending. There is a connection between those things and the other four drivers. I suggest that, for instance—and this came out in the report on prisons—trying to turn prisons into learning establishments where prison officers and prisoners share the sense of the importance of learning opportunities would make an enormous difference. I heard on the "Today" programme a couple of weeks ago a reference to a protest in America, where local people objected to the fact that prisoners were being given greater educational opportunities than prison officers. The result was that educational provision for the prisoners was reduced. The obvious thing would have been to increase the educational opportunity for prison officers and turn that into a shared preoccupation. I have certainly come across prison officers with a passion for education and a wish for learning, who care about what they are doing. I suggest that that approach would make a great difference.

My other particular concern at present is last week's announcement of the ending of the Youth Justice Board. The right hon. Member for Berwick-upon-Tweed said that he hoped its work would continue elsewhere. He acknowledged that the work of the youth offending teams, bringing the different professions together in tackling youth offending, has been quite successful. My worry is about the fact that the expertise on youth offending and what can work in tackling it does not lie in Departments. It is not the sort of thing that civil servants do well. They are good on policy development, and so on, but from ministerial experience, I would say they do not have the professional expertise that the Youth Justice Board provided in support of the youth offending teams. We need that expertise somehow to be reinstituted, or the Minister may find that the effectiveness of work with young offenders starts to move backwards.

Justice reinvestment is not about massively increasing the resources that we put into the criminal justice system. Indeed, it is potentially about reducing them by using the available resources in a much more targeted and effective way. It is therefore an approach that should be attractive to the Government, just as it provoked a

positive response from the previous Government. Does that mean that we have a boring consensus across party lines? No, I think that we had a very exciting convergence of views in the Select Committee, driven by the evidence rather than by the media. That is in the public interest, for three reasons: first, it is in the interest of good administration and governance; secondly, it makes the best use of available resources and stops demand for them getting out of hand—and we have seen how great the risk is, under successive Governments, of the demand for prison resources in particular getting out of hand; and thirdly, it delivers on the victim-centred agenda of reducing the likelihood that people will become victims a second or third time.

The Justice Committee's report is the product of remarkable consensus among Members of Parliament in the four main parties. The members of the Committee put in a considerable amount of time. That was true not only of the Chairman but also, on the Conservative side, the new Chairman of the Treasury Committee—there should be an ally there—the hon. Member for Chichester (Mr Tyrie), and on the Labour Benches myself and my hon. Friend the Member for Southampton, Test (Dr Whitehead). When we came to the writing of the report we expected we would be up against it. We expected a degree of cross-party controversy. However, perhaps it says something about the quality of the evidence and about the considerable investment of time in the inquiry over two years, as the Chairman of the Committee said, that we found ourselves in passionate agreement at the end.

I revert to comments by Professor Jonathan Shepherd, cited in paragraph 309 of the report, who

"advocated offender management schools and institutes in research intensive universities, similar to the police school model, and argued that such institutions can be cost-neutral."

In analysing crime—what causes crime and what can drive it down—methodology is absolutely crucial. That is central, as well as a proper understanding of the actual experience of crime at a local level. The way forward is to put correct methodology at the centre, then trusting people to apply it locally, understanding the needs of their community and communicating those needs and the methods with which they are approaching them. That is precisely the approach to transparency and accountability that the hon. Member for Devizes (Claire Perry) asked me to underline. The justice reinvestment report offers an agenda that it would be wise for Government and Opposition to support in the coming months and years.

3.31 pm

Mr Robert Buckland (South Swindon) (Con): I am grateful for the opportunity to speak in this timely debate, bearing in mind not only yesterday's announcement but the ongoing nature of the debate on an important area of public policy.

The judiciary have had strong views about this area of public policy for a number of months, if not years. It is no secret that for some time prison governors had expressed their concerns about what they regarded as the overuse of short-term prison sentences, namely those of 12 months or less, because they are ineffective in managing offenders in the prison estate and at dealing with the all-important statistic of reoffending within six months of release from sentence. That is where the public interest lies, which is what I was delighted to hear other speakers, such as the right hon. Member for Cardiff South and Penarth (Alun Michael) and the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith), Chair of the Committee on which I now serve, emphasising. The public rightly demand protection, certainty and reassurance that the system is doing everything that it can to manage out reoffending.

We are moving away from talking about targets and more towards talking about outcomes, but no matter which word is used, the reoffending figures are where it is at. The hon. Member for Dwyfor Meirionnydd (Mr Llwyd) got it almost right with his reference to the Diamond project—he was with me at an interesting session a couple of weeks ago. The preliminary evidence from the Diamond project is dramatic—"preliminary" was stressed, because the work is ongoing, with the pilot due to end in March next year. Figures of 28% reoffending are extraordinary, bearing in mind the depressing litany of statistics with which we all are familiar. We owe a great debt of gratitude to the Lord Chancellor for having brought into the full glare of publicity the concerns of the judiciary, prison governors and everyone—such as me until my election—who is heavily involved in the criminal justice system.

The right hon. Member for Cardiff South and Penarth is absolutely right: there needs to be a consensus, even at the risk of that being dull. I would go further than him and say that the old debates about toughness and softness, which have plagued the issue since about the mid-1990s, have really had their day. Instead we should be talking about whether we are being smart on crime or stupid—dumb, if preferred—on crime. That is where the debate should be, where the battle lines should be drawn and what we need to be focusing on.

I was not a member of the previous Committee, which produced the report, but I have read its recommendations and the Government response carefully. The Government response, although I accept that the current Minister is not responsible for those utterances—I am sure he is glad that I remind the Chamber of that—represented a missed opportunity. The report was from a Committee of the House that included senior Members and former Ministers, such as the right hon. Member for Cardiff South and Penarth, who could use not only their experience in office but their experience of many years in the House and in their constituencies.

However, I am delighted that Cardiff was mentioned, because I practised for many years as a member of the Bar in that city, in the Crown court, and know intimately the problems and challenges facing the constituents of the right hon. Gentleman and others.

I was disappointed that, instead of a frank owning up to some of the deficiencies in the system, we had an over-defensive approach in the Government response.

Claire Perry: I am most grateful to my hon. Friend, whose constituency of South Swindon is next door to mine, for giving way.

There is so much evidence of interesting, innovative programmes, which we have discussed in Committee. Is my hon. Friend aware of the Vision Housing project in London, which aims to house ex-offenders and which is delivering the most extraordinary reduction in reoffending by providing one of the very things mentioned by the

[Claire Perry]

right hon. Member for Cardiff South and Penarth (Alun Michael)—stable housing upon release for ex-offenders? What is the opinion of my hon. Friend the Member for South Swindon as to why, with all this evidence for and cross-party commitment to making changes in the system, we still seem to be stuck in an old model with the National Offender Management Service and the Prison Service? We are not prepared to embrace the innovation that we all see out there every day.

Mr Buckland: My hon. Friend hit on an important point about NOMS. While we welcome the dedicated and hard work of members of NOMS, some of us wonder whether the synthesis between dealing with offenders in the prison estate and offenders in the community was ever achieved by NOMS. That was one of its purposes. It was to look in an overarching way at the whole system, and to provide some synthesis which, frankly, has not happened.

Tempting as it is to lament the rise and fall of various quangos—some speakers referred to this but, with respect to them, that misses the point—their best point, which the right hon. Member for Cardiff South and Penarth mentioned, is that we must not lose the expertise and knowledge of the people who worked so hard within those bodies. The Minister, I am sure, has taken that point very much on board in the case of the Youth Justice Board.

I make the point now, I hope clearly, that we must remember that youth justice ought to be treated in a discrete, separate way. It is not appropriate to meld the system of youth justice in with that of adult justice. They are two different beasts, which require two different approaches, and we must not forget that. At the same time, the issue of transition between the youth justice system and the adult system can be difficult—practically, for sentences, in terms of the gymnastics that they have to go through in remembering which particular regime fits what. My point is that the public interest is best served, when it comes to young offenders, by the sort of focused, early-intervention approach that I know everyone in the Chamber and in the wider community supports.

My point is about the public interest and how it is best served. I have talked about reoffending rates, but will now look in some detail at the part of the report that dealt with confidence in community sentences. That has been the issue about which politicians have danced for many years. They have worried about weak community sentences being poorly monitored and implemented, resulting in higher rates of reoffending.

The question of confidence is key here, but how do we achieve that? We have already been shown several important pointers, such as the Diamond project. The right hon. Member for Berwick-upon-Tweed referred to the issue, but it is important that we reiterate it. Community sentences will fail if they are not properly policed, and they will be ineffective if they are not adequately monitored. There are some good examples of community sentences that work. For example, the drug rehabilitation requirement sentence, which is a high-intensity sentence, involves a regular review—it can be monthly or it can be held at less frequent intervals—by a Crown court judge or magistrate. Under such regimes, judges will see defendants on a regular basis and open up a dialogue with them. They will challenge the defendant if the requirement is not being met and assist them if a particular issue needs to be addressed, such as non-compliance because of work restrictions or requirements or problems with a methadone prescription if the defendant has been convicted of possessing or supplying a controlled drug. Such sentences are having a really positive impact on not only the individuals themselves but the communities in which they live.

The power to review sentences regularly already exists in section 178 of the Criminal Justice Act 2003. The Government, in their response to the Committee, referred to their piloting of the use of section 178 in a range of different orders. I am interested to know—I will forgive the Minister if he does not have an answer today—the results of that pilot. I want to know the extent of it and the different types of orders that were used. It seems that if we give judges more involvement in the policing of community sentences, it will have a greater impact on the offender and go a long way towards promoting confidence in our sentencing regime.

The Diamond project used a range of mechanisms to enforce compliance with the order. Police officers or community support officers regularly knock on the doors of the homes of offenders to ensure that they attend the community project. We were looking at unpaid work in Lambeth the other day. We discussed how the scheme worked and we met offenders and former offenders who were working in the project. The input of former offenders—the euphemism nowadays is service users, which is relevant in this context—was vital, because they had gone through the system, come out successfully and were not reoffending. They were, I suppose, setting an example to those on the current order who, at times, were having difficulties or issues. It was wonderful to see people of experience assisting those who were on the order.

We spoke to some of those on the unpaid work scheme. Most of them understood the purpose of the order. They knew that it was not just about them and their rehabilitation but about their punishment. One gentleman I spoke to—I will not quote him out of court—did not quite get that point. It is important to hold such conversations because it helps us to understand the nature of punishment in our society.

For many years, the role of punishment in the criminal justice system has been hotly debated. Many protagonists say that punishment has no role in the criminal justice system, but, with respect, they entirely misunderstand where we are with punishment now. Their view of punishment comes from the 19th century, and we have moved on a long way since then. Punishment encapsulates not just custody and loss of liberty but a range of approaches that can be taken within the community. The example I would give is the one alluded to by my right hon. Friend the Member for Berwick-upon-Tweed when he mentioned one of the witnesses who gave evidence before the Justice Select Committee last week. The witness talked about her wish to be challenged by probation officers. Challenging people's behaviour and facing up to them is a modern form of punishment. I am talking not about having a cuddly cup of tea but about saying, "Look, what you are doing is wrong. The way you are behaving is inappropriate. What are you

going to do about it?" That is challenging the individual to face up to what they have done, to understand why they did it and to move on to be a better citizen.

It is wholly artificial to divide punishment from rehabilitation and public protection. The truth is that they all elide to. In many ways, getting the punishment right will ensure that the offender is rehabilitated and the public are protected.

I come back now to the point that I made at the beginning of my address, which is that the public interest is best served by a system that results in a lower rate of reoffending. That is why justice reinvestment is common sense. It not only saves the Exchequer massive amounts of revenue and protects the public but makes better citizens of those people who end up in the system.

The right hon. Member for Cardiff South and Penarth made a vital point about access to information about local rates of offending, where the hotspots are and what the problems are. It is vital that sentencers—the judiciary and lay magistracy—have full access to the hard facts, because it will help them reflect local sentencing priorities. I am not saying that Cardiff has a particular problem. In fact, it is very well managed by Jonathan Shepherd, the University Hospital of Wales and the local police. There are other parts of the world in which crimes of violence are still a huge problem. The public of those particular towns or cities demand, quite rightly, that sentences be passed to reflect those problems.

Alun Michael: Although I agree with what the hon. Gentleman says, there is another side to the coin. If people see the correct trends—what is actually happening—that can inspire more confidence, too. For example, St Mellons had very high burglary levels at one period. Much was done and there was a massive drop. If we hear that there has been a slight incremental rise in the area, and we look at it against a 10 or 15-year perspective, we see that it is only a slight ripple rather than a major increase. It is just as important to give the good news to local communities as it is to identify hotspots.

Mr Buckland: Absolutely. I am grateful to the right hon. Gentleman for putting the matter in context. I have been talking about the end result—clearing up the spilled milk—but a lot of the targeting work is all about intervention to manage out the problem. That is a very important point here. A lot of the work that the Committee did was about not just looking at the end result of sentencing but intervening at an earlier stage to get it right and to avoid having to rely on a criminal justice system that does not always deal with problems appropriately, particularly when it comes to young offenders. The restorative justice concept is a prime example of the alternative approach.

I will end by reminding the Minister of the meeting that we had some weeks ago in Birmingham with key players in mental health. It was a very productive round-table discussion, hosted by the National Centre for Mental Health. We were lucky to be joined by senior consultant forensic psychiatrists and the mother of a young man who, as a result of serious drug problems, ended up with a mental health problem and was treated inappropriately by the criminal justice system.

I make this plea—I hope that the Minister will forgive me for making it because he has heard it from me before, but I make no apology for that—that we must get the diversionary therapies and methods absolutely right when it comes to mental health, not only in the Crown court and the magistrates court, in terms of making it easier for sentencers to pass mental health treatment conditions as part of a community order, but at the police station too. That means ensuring that if a desk sergeant or even a duty solicitor or any person who comes into contact with an arrested person, an accused person or a suspect is able to have recourse to community psychiatric nursing help—*[Interruption.]* I do not know if the person who is in charge of the amplification system wanted me to make that point more clearly. *[Laughter.]* However, I am happy that it has been amplified and made more clearly.

The intervention of community psychiatric nursing at that level and the professional input of mental health services will go a long way to ensuring that people who have genuine mental health problems end up being treated appropriately rather than in a criminal justice system that far too often fails them, resulting in inappropriate prison sentences being imposed and in the alarming statistics that we are all depressingly familiar with regarding the number of people in our prisons who have mental health conditions.

At the top end of the scale, I would argue that the Mental Health Act provides very important and valuable services for those people with acute mental health problems. However, it is more towards the middle and the bottom end of the scale that the system is, I am afraid, quite simply deficient.

It is very much a question of commissioning. The Minister will agree with me that collaborative work with the Department of Health is essential if we are to get the mental health services that we need. So I urge him to do all he can as a member of the new Government to ensure that, by the time we get to the new commissioning regime next year, mental health services are at the top of the list when it comes to new provision.

On that note, I conclude my remarks, Mrs Main, and I am very grateful to you.

Mrs Anne Main (in the Chair): Order. Before I call the next speaker, I want to say that we are having the sound issues tackled. I also want to say that I will call the Opposition Front-Bench spokesperson at 4.50 pm, followed by the Minister. Can those Members who wish to speak before then be mindful of that?

3.52 pm

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): It is a pleasure to follow the hon. Member for South Swindon (Mr Buckland) who, like me, is a new member of the Justice Committee. I was not a member of the Committee that produced this very important report and I congratulate everyone involved in it, including the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) who, as well as being the Chairman of the present Committee, was the Chairman of the Committee that produced the report.

The report is a very thought-provoking piece of work and a very useful contribution to the discussions about criminal justice that we inevitably have in this place—and obviously we should be having those debates. *[Interruption.]*

Mrs Anne Main (in the Chair): Order. I am suspending the sitting for a few minutes to give the technicians time to sort out the sound problems, because it is impossible to continue.

3.53 pm

Sitting suspended.

3.59 pm

On resuming—

Mrs Anne Main (in the Chair): We are sorry for the technical interruption. We are not allowed to add extra time, but Mr Alan Beith has kindly accepted a reduction in his response time. I shall now call the Front-Bench spokesmen at approximately 4.57 pm.

Mr Llwyd: According to a Ministry of Justice letter leaked last Friday, 14,000 MOJ jobs will be lost, 11,000 of them from the front line. If we are to believe the letter, 60% of those reductions must be made within the next two years. The cost of the redundancy drive will reportedly reach £230 million. Although 85% of that reduction is estimated to be voluntary, it will no doubt be as voluntary as walking the plank.

Meanwhile, 50% of the redundancies are expected to be achieved through natural wastage. Where exactly do we expect those workers to go? The National Offender Management Service will lose 9,940 jobs: 760 from its headquarters and the rest, presumably, from the prison and probation services. Delivery of restorative justice seems like pie in the sky when we consider the bleak road ahead. By March 2014, the justice budget will be cut by 23%, which seems to undermine once again the opportunity for justice reinvestment.

We hear that in the face of those cuts, the Ministry of Justice also wants to cut prison places. The Ministry's aim is to reduce receptions into custody by 18,000 a year by 2014—indeed, the package of cuts is predicated on a reduction in the number of prisoners—but how can that be achieved? I am afraid that it is more likely that the cuts will lead to an increase in the number of prisoners, especially when slashes in staff numbers are combined with cuts to courts, prosecutors and clerks. The same number of prisoners will be held on remand, but probably for longer.

The premise of the cuts is therefore flawed, and the cuts may well undermine the worthy and proper notion of justice reinvestment. Equally, there are logistical problems with the time scale, as the cuts are expected to come into play by 2014. I spoke yesterday to Mr Harry Fletcher, assistant general secretary of the National Association of Probation Officers; I see a wry smile on the Minister's face. I have no doubt that the Ministry of Justice expects that the new infrastructure will be put in place by 2014, but NAPO's opinion is that it will take at least five years to be anywhere near ready. However, that is a matter of debate. The time scale for the cuts is not practicable and risks undermining and damaging our justice system.

We also hear that a large proportion of rehabilitation work will be outsourced to voluntary and private organisations on the basis of payment by results. Where exactly are those volunteers meant to come from? Magistrates courts committees have complained that court orders cannot be made out to private companies. I think that that is true. What would happen in the event of conflicts of interest? On Tuesday, I met Mr John Thornhill and other representatives of the Magistrates Association. If short-term prison sentences are to be avoided, they are concerned that personnel will not be found to oversee defendants.

Although I agree that the Lord Chancellor is right to attempt to avoid the overuse of short prison sentences, that cannot be done without a substantial direct investment in the probation service. When I first qualified as a lawyer in the early 1970s, the local town of Dolgellau had three probation officers. We now have one for half the county. Need I say more? Furthermore, as I said to the Lord Chancellor in a recent sitting of the Justice Committee, the private concerns that receive payment by results will inevitably be profit-driven. They will not want the awkward recidivist cases, that is for sure. That is where I believe probation officers' skills should come into play.

I understand that many departmental settlements were finalised only a few hours before the announcement of the spending review yesterday. How can we discuss justice reinvestment properly, even in theory, when community reinvestment is being cut? We are expected to set up a private system that we do not agree with, which will take years, while cutting back on probation staff. I am afraid that those drastic cuts have not been properly thought through. As was said earlier, this might be an opportunity missed.

In its report, the Justice Committee presented the case for various essential reforms, which now seem further away than ever. The report tasked the Government with committing to a significant reduction in the prison population by 2015. That is the reduction on which the cuts are predicated, yet ironically, the cuts render such a reduction less practicable. Following on from the Corston report in 2007, the Committee report also tasked the Government with implementing Baroness Corston's recommendations on reducing the number of female prisoners. A reduction in the number of prisoners whose crimes were driven by mental illness is also overdue. The CSR mentioned those goals, notably in pledging to introduce proposals to invest in mental health liaison services at police stations and courts in order to intervene at an early stage and divert those suffering from a mental illness into treatment. That is welcome, but will the Minister expand on it? Will related pledges to target the causes of female incarceration be honoured?

The Committee report warned that spending more on rehabilitation will not work while the prison estate is overcrowded. How timely that warning now seems. We cannot expect the criminal justice system simply to work out its problems by itself. Time and investment are needed to reform how the sector functions. As I have said, we cannot merely expect the number of prisoners to decrease as if by magic while cutting staff numbers across the piece.

The report noted that a coherent strategy must be developed by the Home Office, the Ministry of Justice and other Departments to target the allocation of resources and reduce crime. I agree, of course. Targeting the causes of crime is essential to reducing the number of people in prison. We must build on and improve the community sentencing structures already in place and seek the advice of probation staff who know the area thoroughly and professionally.

For too long, probation officers have been undermined and marginalised in the NOMS set-up. Instead of making cuts and outsourcing to voluntary organisations, we should focus on improving the probation service that we know and respect by reducing the paperwork that probation officers must do and increasing the time that they spend with offenders. Currently, probation officers spend an average of eight minutes a week speaking to people under their orders. That is ridiculous. What can be done in eight minutes a week? I have no idea.

I have a suggestion. It might be radical, but I have seen it in practice. A few weeks ago, I went to Buffalo, New York, which has a veterans court. Veterans who have offended are referred to the court and come under the watchful eye of Judge Russell. Typically, they have committed high-grade misdemeanours or low-grade felonies and are facing perhaps 18 months in prison. They are given the opportunity to attend the veterans court. If they take it, they are assigned a probation officer and, crucially, an ex-service mentor. For 18 months or less—it is sometimes 15 months or in very rare cases 12 months—they are expected to go to court every three weeks to explain how they are getting on. They are drug tested every fortnight and if they are clean and sober—to use the words they use in the States—at the completion of the course, they graduate. They are given a glowing character reference and any reference to the offences is scrapped. If they are not already in work, they are given work, and they are treated with respect for how they have handled themselves during those months.

I was absolutely struck by the whole thing. I went to the States thinking, as a lawyer, that everyone should be equal before the law and questioning why veterans should have a different course of action—although I have been campaigning for them and will continue to do so for those veterans who unfortunately are in prison, often for reasons beyond their control. The scheme is predicated on having a volunteer mentor who is an ex-serviceperson and a probation officer—or the American version of that—who can put in the necessary time to deal with the offender.

I have just mentioned the result of that scheme to hon. Members. May I tell them what the reoffending rate is? Courts at the federal level are looking at that district court because of its success. For the past three years, the reoffending rate has been 0%. If that is not something to consider, I do not know what is. I submit that the scheme could be adapted to what we are talking about today. It does not have to be a veterans court; it could be any other form of court. The scheme is labour intensive, but if we weigh up the savings to society, the taxpayer and everyone—and indeed to the individual who has his or her life turned around and is back in the mainstream—it is remarkable and worthy of study.

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): Is the hon. Gentleman familiar with the work of Alan Lilly of the Cheshire probation service? I saw him last week in Cheshire—he is a friend of mine and we served together—as I am interested in the work he is doing there on a veterans scheme. I am particularly interested in the hon. Gentleman's comments about the American experience. We will try to draw those two experiences together.

Mr Llwyd: I am grateful to the Minister for that very positive response. I shall send him a booklet—if one exists—about the scheme. I know Mr Lilly; I serve on a committee with him. Indeed, under the auspices of the Howard League for Penal Reform, I went to the States as a member of a panel and am due to report to the Government. I am happy to send the evidence to the Minister, because it is remarkable and worthy of thorough investigation.

Mr Blunt: I would be grateful for the hon. Gentleman's reflections as a lawyer on treating people differently in the criminal justice system. If he has any suggestions about how one might address that issue, I would be grateful to hear them.

Mr Llwyd: As I said, I went to the States with a preconception that I would not approve of the veterans court. However, other courts refer to that court as a means of disposal. Other courts deal with ex-service people who have committed such offences, and if they think that the person concerned would benefit from Judge Russell's assistance, they are referred for disposal to the veterans court. In effect, it is not a twin-track system for any class of society, but it is a different disposal. The scheme is well worthy of examination.

Alun Michael: The problem cited by the Minister is a lawyer's problem, rather than a practical problem. There should not be too strict an adherence to the tariff as anything other than a starting point for sentencing. The tariff should be calibrated according to what will work in the particular set of circumstances, as well as according to the nature of the offences. That is a much more intelligent way of approaching these matters.

Mr Llwyd: I realise that the right hon. Gentleman has a great deal of experience in the field of sentencing and I take on board what he says. I commend the set-up I have mentioned to everybody here today, because it is well worthy of examination and it could be adapted for use in England and Wales.

We also need to change the way in which we approach punishment, particularly in respect of less serious offences. The Committee wisely said:

> "We are concerned that an unthinking acceptance has evolved of punishment—for its own sake—as the paramount purpose of sentencing, and as the only way of registering the seriousness with which society regards a crime."

In my view, there is a one-eyed approach to the matter, which may be a product of tabloid mania over the issue. It is very difficult to have a reasonable and reasoned debate about the issue without being drowned out and dictated to by the unwelcome drum beat of the tabloid press. The key elements of sentencing have always been and still are: punishment, deterrence and rehabilitation. All three are vital to a humane and purposeful sentencing strategy. Sadly, at the moment, scant time is paid to rehabilitation, which is key if we are going to get away from the revolving door scenario, which plagues society, the taxpayer and all of us.

If we take a different line regarding justice, we must consider the proposals in the report, which suggests shifting resources towards rehabilitation services, not cutting them. It also suggests investing in what it calls "prehabilitation"—in other words, preventing more crimes from taking place. That would mean pouring extra resources into areas outside the criminal justice system. Social exclusion, low educational engagement, substance

[Mr Llwyd]

misuse, mental health problems, unemployment, the lack of social housing and other issues must all be tackled.

People who fall into the criminal justice system are often caught in a vicious cycle, particularly those incarcerated on short-term sentences. Evidence shows that people serving short-term sentences are far more likely to reoffend and that they do not learn anything from their experience in prison. A vicious cycle can be interrupted and can become a virtuous cycle. Improving preventive measures, such as effective investment in housing, employment and alcohol and drug services would reduce the burden on the Ministry of Justice's purse. Such an approach would also involve local and central agencies proving that we can work together in a big society—or whatever the term might be.

Evidently, the impact of the spending review on these plans will be fundamental and possibly uncompromising. Reinvestment is simply not possible if there is no money to reinvest. How can we know where the money will be after 2014? Considering the negative swing we will see as an effect of the cuts to probation, clerks, court clerks and court services, the burden on the prison estate will only become greater by 2014. I hope that I am wrong, but the cuts have been rushed. They have not been properly thought through and the position has possibly been compromised because other Departments have been given preference—although I do not know whether that is the case. Such an approach is simply not going to work. I desperately hope I am wrong, because we all know that justice is essential to the well-being of our communities.

Several hon. Members *rose—*

Mrs Anne Main (in the Chair): Order. Before I call the next speaker, I remind everybody that there is approximately 40 minutes left for three speakers. I call Mr Tony Baldry.

4.18 pm

Tony Baldry (Banbury) (Con): I have the fifteenth largest constituency in the country. It has approximately 85,000 adults, which is equivalent to the number of people who will be banged up tonight as part of the English and Welsh prison population—85,000 people is equivalent to the whole of one very large UK constituency. Such a situation is costing us a fortune. Half of all adults and almost three quarters of young people are reconvicted within one year of being released, and the National Audit Office estimates that reoffending by all recent ex-prisoners costs the taxpayer up to £13 billion a year. That is a huge amount. We ought to see the change in Government spending as an opportunity to get to grips with viewing the deprivation of liberty as a punishment and the purpose of prison as an opportunity for ensuring that people do not reoffend.

I want to make a couple of points. I am conscious that the more Poujadist elements in the press often attack the Secretary of State when he talks about a rehabilitation revolution, but he has made it clear that, unlike previous Governments, he will not release prisoners early by executive decision. Instead, we must ensure that our prison population shrinks through reduced reoffending.

Some in the media characterise my right hon. and learned Friend as being a soft touch, but someone who is certainly not a soft touch in that respect is my right hon. Friend the Secretary of State for Work and Pensions. I commend to Members the report, "Locked Up Potential", produced by the Centre for Social Justice's prison reform working group; I do not have time to quote from it at length, but it can be found at the centre's website, www.centreforsocialjustice.org.uk. My right hon. Friend states in that report that the fact that a well-developed country like the UK should be satisfied that two of every three released prisoners are returned to prison within two years is an indictment of public policy. The purpose of prison, he argues, should not just be incarceration, but ultimately reform. Sadly, that is something that the Prison Service does not do. Everyone pays as a result, through higher taxes, more crime and wasted opportunities to mend broken lives.

It is absolutely right that those who commit offences that deserve a prison sentence go to prison, but some work is needed on sentencing. For example, I recently appeared in the Court of Appeal to represent some men who had been convicted for an offence of riot and who certainly deserved to go to prison, but prison sentences are determined according to tariffs, and they received a sentence of six years. I cannot for the life of me see how society is better served by those men serving six years, rather than four. We have had to calibrate the seriousness of crime in years, so we have got into a situation in which the length of the prison term is often the only way in which the court can indicate the seriousness of an offence. If the Justice Secretary is to deal with the reform of sentencing, he must give some thought to the question of tariffs.

Whenever I visit Bullingdon prison in my constituency, I am struck by the fact that huge numbers of those serving sentences are functionally illiterate and/or suffering from drug or alcohol substance abuse. There seem to be two things that we desperately need to get to grips with in prison if we are to reduce reoffending. One is prisoners' education. I commend to Members the submission by the Prisoners Education Trust to the all-party group on penal affairs, in which some sensible points are made. The submission states that

> "many prisoners do want to learn, and...education in prison gives prisoners not just real achievements in terms of qualifications, but a hunger for learning that may be even more valuable in an economic climate in which jobs can no longer be guaranteed."

The more prisoners who acquire skills and qualifications in prison, the better. That will require a complete rethinking of what happens in prison. Instead of being banged up for 22 or 23 hours a day, it would be far better if prisoners were in the classroom, learning skills and gaining qualifications. In the days of distance learning and IT, and with the ability to communicate and acquire qualifications over a period of time, that must surely be possible. It will mean that we will have to have a prison regime in which prisoners are not moved frequently, because it is frustrating when a prisoner must discontinue a course they have started because they are moved to another prison, and it is frustrating for governors and prison staff that prisons are overcrowded, because that makes it much more difficult to ensure that out-of-cell activity can take place. I say to the Minister that the whole test of whether we can successfully reduce reoffending is directly related to our ability to encourage projects

such as the Toe by Toe literacy scheme, the Open University's activities in prison, the ability of the Prisoners Education Trust to continue to deliver training in different subjects and at different levels and access to a range of specific courses at varying levels.

Also important to the acquisition of skills and qualifications in prisons is the opportunity for prisoners to work. Those of us in the House who are pretty gnarled know that it is rare for Ministers to receive any praise at all, so I was encouraged to read a letter from Frances Crook, director of the Howard League for Penal Reform, rightly commending the Secretary of State for Justice and colleagues in the Ministry for his announcement that prisoners will be turned into taxpayers and enabled to work. Frances Crook observes that that

"will be a huge challenge to prisons that are currently offering only a handful of hours out of cell."

She observes that the Government's announcement that real work will be brought into prisons is one of the most important reforms in two centuries. Everyone will gain from prisoners being given work to do, and it will enable them to contribute to their families. For example, a birthday card for a son or daughter can cost £2, and until now prisoners have been unable to buy them with their meagre allowances. For the first time, prisoners will be able to support their families, which will help to keep families together and could even reduce the benefits bill for the taxpayer. Prisoners will contribute to the common good, which could have a phenomenal impact on reducing reoffending.

That proposal is commendable, and the more we can do to ensure that prisoners have the opportunity to work, the better. As the Howard League for Penal Reform observes, that would not necessarily undercut external employers, as one of the ways it could be done is to bring back operations that are currently outsourced overseas to the UK and carry them out in prisons.

There is considerable cross-party support for efforts to reduce reoffending, as the Committee report demonstrates and today's debate makes clear. Ironically, the comprehensive spending review may now provide the catalyst to enable the Secretary of State to introduce the rehabilitation revolution that the prison system needs. I understand that he has today indicated that he hopes to reduce the daily prison population by 3,000 over the next four years. I suggest that that is a rather modest objective. I hope that, by reducing reoffending rates year on year, we can reduce the overall prison population more substantially and, in so doing, reduce the overall cost to taxpayers. Probation and community sentences will of course have a role in that, but a key part will be reducing reoffending by those already in prison. That will depend largely on giving them the skills, qualifications and incentives to work, getting them off drugs and making sure they are free of alcohol abuse. It will depend on supporting them when they leave prison and trying to ensure that they can lead decent lives thereafter. If that can happen, we can have a rehabilitation revolution.

4.39 pm

Karl Turner (Kingston upon Hull East) (Lab): I pay tribute to the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) for securing the debate and allowing me, as a new member of the Justice Committee, an opportunity to speak.

The report talks about a crisis of sustainability. The previous Government expected the criminal justice system to find £1.3 billion of savings over three years. The report argues that such cuts would put the criminal justice system under increased pressure, a sentiment with which I am bound to agree. I am extremely concerned that the savings expected under the coalition Government are double that figure. The Chancellor of the Exchequer announced yesterday that the Justice Department will have to shoulder the largest burden of the cuts: 6% over 5 years, which equates to £2.5 billion in the existing budget of £9.5 billion. The Lord Chancellor will have to make 14,000 of his staff redundant, including 10,000 prison and probation workers. A Ministry of Justice memo made it clear that

"the front line will bear the brunt".

Such deep and savage cuts are not inevitable. The Labour Government accepted that efficiency savings had to be made, and cuts would have come.

This Department seems to be taking the brunt. A number of cuts had already been made, and many of my former colleagues in the legal profession believe that the system has been pushed too far. A Labour Government would have squeezed the system hard to make savings but they would never have taken the huge gamble with the justice system that this Government are about to take.

The Chancellor spoke yesterday about bringing the economy back from the brink. I believe that cuts of 30% to the Department will push some aspects of the system over the edge. Expecting volunteers to take up the slack and replace trained, accountable professionals such as probation officers is a gamble, and he is gambling with the safety of our communities. I am extremely concerned that the chairman of the Prison Officers Association has stated that as a result of the situation there will be

"dangerous people on the streets".

However, we are where we are, and it is down to the Lord Chancellor, his colleagues and his team to wield the axe in the Department. I urge him to focus resources and to reinvest in key areas of the criminal justice system to deal with offending and reoffending, and to concentrate on the principle that prevention is better than cure. The Labour Government were initially tough on crime and the causes of crime but did not get everything right. They may have lost focus on tackling the causes of crime.

The report comments on many areas of reinvestment in the criminal justice system. The areas that I want to concentrate on did not feature heavily in the report, but I believe that they are key areas for reinvestment. Community-based services must be funded to prevent offenders from reoffending and returning to the criminal justice system. Unless services are properly funded, the prison population will continue to rise. We must focus on women in the prison system and those whose criminality is driven by mental illness and substance addiction. Local community projects and trained rehabilitation professionals must be given backing and the initial investment necessary to achieve success. Such initiatives will result in a reduction of the prison population and achieve long-term savings across the Department.

Women's offending is different from men's offending. In general, they pose less of a risk to the public. Only 36% of women in prison committed violent offences, compared with 55% of men, and female prisoners are

[Karl Turner]

more likely to have mental health problems. Many of those women need help in overcoming abuse, alcohol or drug problems, and many of them have dependent children. The impact on families and, therefore, communities if a mother goes to prison can be catastrophic. Prison damages the lives of vulnerable women, who are often incarcerated miles from their home and family. They lose their home, and their relationship with their children is damaged for ever. Prison should be reserved for the most violent offenders; for non-violent offenders, there are better options. By tackling the root cause of women's offending behaviour, we will be better able to rehabilitate them.

Under the previous Labour Government, implementation of Baroness Corston's report, which was championed by my hon. Friend the Member for Garston and Halewood (Maria Eagle), had begun to have an impact on reducing the number of women in prisons. The Corston review recommended a substantial reduction in the number of women in custody, and the creation of small custodial units to replace the existing women's prison estate for those women who need to be in custody, alongside improved support services in the community for women offenders and women at risk of reoffending.

Investment in that part of the judicial system has come a long way since the Corston report, but we must not lose momentum or focus. We must build on the excellent work that has been done and continue to invest in community-based projects. Rehabilitating vulnerable women and keeping them away from a life of crime means that they can return to our communities and make a positive contribution to society. The previous Government made that a priority and appointed a Minister who was specifically responsible for it. It concerns me that this Government have not done so.

A high proportion of people in the criminal justice system—up to 90%—have some form of mental health problem. Most have common conditions, but one in 10 have a more severe condition such as psychosis, and about two thirds have a personality disorder. Lord Bradley suggested many ways to improve the treatment of people with mental health problems in the criminal justice system and to tackle their over-representation in prison. His report stated that offenders are rarely required to attend mental health treatment as part of a community sentence, and confirmed the need for a greater use of diversion, which is a process to ensure that people with mental health problems who enter the criminal justice system are identified and provided with appropriate mental health services, treatment and any other support that they need.

The focus should remain on diverting people with mental health problems from the criminal justice system to more appropriate services in the community. The process of diversion ensures that people with mental health problems who enter the criminal justice system are identified and, where appropriate, diverted away from the criminal justice system. Custody can exacerbate mental ill health, heighten vulnerability and increase the risk of self-harm and suicide. Although I recognise that diversion has been a priority for previous Governments, it has always lacked a nationally guided strategy. As a result, there are inconsistencies in the system. Given that the health service budget has been largely protected, I urge people in the Justice Department to speak to their colleagues in the Department of Health to ensure that adequate funding is streamlined specifically for this service so that people with mental health problems who enter the judicial system can leave it.

I recognise the vital role for volunteers in our society—they play a crucial part—but they cannot take up the slack if the Department's budget will be cut, as it seems clear it will be. I would ask the Lord Chancellor to direct reinvestment to full implementation of the Bradley report.

Substance addiction is extremely common among offenders, with more than a half of people entering prisons being problematic drug users. The evidence suggests that drug and alcohol treatment is effective in reducing and cutting offending and reoffending. However, while there is some excellent work going on in many prisons, the criminal justice system is still failing fully to rehabilitate offenders with drug and alcohol addictions. The Labour Government invested in that area and recognised the need for treatment. However, there is still a great deal to be done. There remains a shortage of appropriate and effective drug treatments. Short prison sentences and transfers for drug users make structured drug treatment programmes difficult, and short sentences tend to add to problems linked to drug and alcohol dependency such as mental health issues and homelessness.

Links between treatment in custody and continued treatment in the community are already difficult to maintain. I am worried that reductions to the probation service will exacerbate the situation—75% of prisoners who say that they had a drug problem before custody go on to reoffend within a year of their release. Alcohol treatment in the criminal justice system is also limited and can be ineffective. There is no dedicated funding available in the system. Despite the cuts, the Ministry should invest. Investment in drug and alcohol services will save money across Government. The NHS report, "Review of the effectiveness of treatment for alcohol problems", found that treatment is effective and saves money in the longer term. For every £1 spent, £5 is saved on costs to health, social and criminal justice services. I accept that evidence supporting the cost effectiveness of drug treatment programmes is unclear, but the National Treatment Agency for Substance Misuse argues that for every £1 spent on treatment there is a saving to society of more than £9.

The Lord Chancellor will now have to wield the axe internally in his Department. If fewer prisons are to be built in the next Parliament and he believes that shorter sentences do not work—I agree with him to some extent—he must reinvest savings made from these policies in prevention policies, not cure policies, reducing the number of women in prison and ensuring that offenders with mental illnesses are identified at the earliest opportunity and diverted to the appropriate services.

Funding community-based projects is vital to reduce the number of people in prison. Although volunteers play a role in such projects, it would be a mistake to expect them to fill the black hole in public funding that was created yesterday. If we do not fund prisons, police and the probation service, there is a real risk that we will have criminals on the streets.

4.41 pm

Dr Julian Huppert (Cambridge) (LD): It is a great privilege to participate in this debate and to follow so many right hon. and hon. Members who are experts on this issue. I am grateful that, although the report was published almost a year ago, the House has delayed the debate until now, giving me a chance, having been elected, to put congratulations to the Justice Committee on the record.

One can tell, just by looking at it, that this report is an excellent, thorough piece of work. It confirms many of the views that Liberal Democrats have long held on justice policy. I am sure that that is in no small measure due to the Committee's excellent chairmanship.

I also pay tribute once again—not for the last time, I am sure—to the excellent work of my predecessor, David Howarth, who was a distinguished shadow Justice Secretary and one of the witnesses who gave evidence to the Committee. David would applaud, as I do, the comments of the Secretary of State for Justice, who mentioned the "astonishing" number of people in our prisons. Liberal Democrats believe that once a criminal has been caught, the punishment that they are given should be aimed at helping them turn away from crime. As Winston Churchill had it, the first real principle that should guide anyone trying to establish a good system of prisons is to prevent as many people as possible from getting there at all. That might seem a pretty uncontroversial principle and some might even call it common sense, but for so long Government policy has run counter to that.

We were told that prison works. Successive Governments competed to build more and bigger prisons and to please the *Daily Mail*. Now, under a radical coalition Government, we are beginning to see a change towards rational, evidence-based solutions to this costly problem. Those solutions were set out in the Justice Committee's report. I want to focus on just a few of them today.

We have been talking about the comprehensive spending review, which was published yesterday, in which the Chancellor calls for better value for money from the justice system. The state of the public finances means that times are hard for every Department, and the Ministry of Justice is no exception. But as the Chancellor said in his statement yesterday, we must not allow that to stop us from reforming our public services. I share the Justice Committee's concern that an assumption has been created that punishment is the paramount purpose of sentencing. By pandering to that assumption, the previous Government showed not only weakness but a lack of rationality.

By contrast, the assumption at the heart of justice reinvestment is that all people, even convicted people, are part of a family and a community. Far from the polarising rhetoric that demonises all criminals and siphons money away from impoverished communities, justice reinvestment argues that society would benefit from a shift away from negative expenditure—processing and punishing people—to positive expenditure, investing in facilities for people and communities. The question is how we can achieve that radical switch away from prison numbers that spiral upwards towards a local, stable and community-led justice system.

The Government have signalled that they want significant reform in the justice system. The Justice Committee recommended that the prison population could be safely capped at its current level and then reduced by a third. We are awaiting proposals for sentencing reform, which will give a stronger focus to rehabilitation. As a Liberal Democrat, I am encouraged by the report's references to community penalties. All the evidence suggests that short-term prison sentences do not work. Hon. Members will have heard the figures bandied around: some 60% of those on short-term sentences reoffend within a year of release. I welcome the noises made by the Secretary of State and the Under-Secretary on this subject and encourage them to produce evidence-based and cost-effective proposals. I also urge them to consider and review the Rehabilitation of Offenders Act 1974—I have already spoken to the Lord Chancellor about it—which continues to punish people long after their sentence is over and contains so many anomalies, including cautions and absolute discharges never being spent. That is not right. That Act should be reformed as soon as possible.

I have long been interested in restorative justice. One benefit of some community sentences is that they bring criminals face to face with the people they have abused, creating a direct link between criminal and victim. The previous Government's failure to go far enough fast enough on such schemes was shameful. We Lib Dems have long advocated innovative ideas such as neighbourhood justice panels, bringing victims and offenders together to foster dialogue, shared decision making and shared understanding.

Neighbourhood justice panels have had tremendous results in reintegrating criminals, restoring relationships and reducing reoffending. One such panel in Somerset has had a 95% success rate. Surely it is time that the Government developed a national strategy for introducing such panels across the country. The Justice Committee called for precisely such a strategy in its report. That would reduce the burden on our courts, contribute to a decrease in prison numbers and bind communities together.

I refer the Government and the Committee to the evidence on this subject, particularly work by Larry Sherman, professor of criminology at the university of Cambridge, who has done extensive studies on restorative justice showing that it is cheaper and reduces reoffending more than jail, and that it is preferred by victims. I urge hon. and right hon. Members who have not contacted him to do so. He would make an excellent witness in future sessions.

I want to say a little bit about young offenders, because we need to pay more attention to them. The report makes this point strongly:

> "It does not make financial sense to continue to ignore the needs of young adult offenders."

If we are to prevent young people from becoming the recidivists of tomorrow, we must look closely at locally-based teams designed specifically to deal with 18-25 year olds. We should also consider a multi-agency approach, bringing in expertise from the criminal justice system and local authorities. Investment in community facilities also has its part to play. Positive investment—giving young people places to go and things to do—is the best way to safeguard public safety. That was demonstrated in my constituency, in the ward that I used to represent, where the construction of a new community centre had a significant effect on the criminality in the area. Young people are often the most affected when they are

[Dr Julian Huppert]

confronted with the damage they have caused to others. That is another compelling reason for the introduction of neighbourhood justice panels.

Many other recommendations in this report are well worth looking at. Ironically, I have not done the justice report justice. But I hope that hon. Members from all parties will agree that the previous Government's response was unacceptable: they were not sufficiently supportive of the needs that are highlighted in the report.

We face an uncertain time. We know the extent of the cuts faced by the Ministry of Justice, for example, but the case for many of the report's recommendations is overwhelming. These proposals are evidence-based, will save the Ministry of Justice money and will improve our communities and our public safety. The time for tough talk is over. The time for a sensible, rational, liberal approach has arrived. I urge the Secretary of State for Justice and his Ministers to seize the day.

4.49 pm

Helen Goodman (Bishop Auckland) (Lab): It is a pleasure to see you in the Chair, Mrs Main.

I am pleased to have this opportunity to welcome the Justice Committee's report. I congratulate Committee members on producing what all hon. and right hon. Members have agreed is a thoughtful, considered study. In the 19th century, the Quakers were in the lead on penal reform, but it seems that the Methodists are in the lead in the 21st century.

The criminal justice system has several distinct objectives: to protect the public, to deter crime, to punish offenders, and to reform and rehabilitate them. All those objectives must be taken into account in the criminal justice system. At times they may be supportive, and at other times, they may seem to conflict, but I do not believe that any should be pursued to the exclusion of others. That is what makes the task of running the criminal justice system so complex and difficult.

The Committee's report concentrates on the importance of diverting people from entering the judicial system, and improving support and guidance offered to those who commit custodial offences to prevent reoffending. The report argues that two key challenges—prehabilitation and rehabilitation—need greater attention, and it is clear that greater success in those areas would have a major impact on cutting crime and improving our judicial system.

I welcome the report's emphasis on providing community-based solutions and improving the interconnections between local services. I agree that, wherever possible, prisoners should be detained in and remain in prisons near their family and local community, because clearly that can help offenders after release.

I am glad that the report emphasises the need to reduce young adult offending, and to divert more young people from the prison system. I first worked on that issue about 10 years ago when I was at the Children's Society, and I am particularly pleased that the Committee took evidence from the society in its project with young people.

I also believe that justice mapping is an approach with great potential, because when thinking about how different parts of the criminal justice system inter-relate, it is important to remember that some communities, notably poorer communities, tend to suffer most from crime and its consequences. The criminal justice system must work in those communities, which must have confidence in it.

Before I comment further on the report's specific recommendations, I want briefly to address the wider issue of prison numbers, which has received considerable attention this afternoon, and in recent days and weeks. Everyone would like there to be fewer crimes, fewer criminals in our communities, and fewer people residing at Her Majesty's pleasure and at taxpayers' expense, but it would be wrong to set an arbitrary ceiling on prison numbers, or to identify an optimal size for the prison population. Yet that is precisely what the report does by suggesting that the prison population should be capped, and then reduced to two thirds of its current size.

The comprehensive spending review statement yesterday made it clear that the Government are planning to cut the prison population by 3,000 over the next four years. Given that that includes offenders on short sentences, will the Minister tell us how many people will not now go to prison who otherwise might have done? Is the figure about 6,000 a year, or is it higher? Plans to put back the prison-building programme will result in 10,000 fewer places in the estate than under previous plans. That suggests an even greater reduction in numbers. I have several questions, and if the Minister cannot answer them this afternoon, I shall be pleased if he will write to me and other Committee members.

The plans reveal that what may seem to some Committee members to be a small reduction would in fact have a radical influence on how the criminal justice system is run. How will the reduction be achieved? *The Times* today seems to be considerably better informed than Parliament was yesterday, and listed the following options: those pleading guilty early on, those on indefinite sentences, some remand prisoners, a lower level of recall, drug addicts and foreign prisoners. Can the Minister disaggregate reductions into those categories? Perhaps most important, does he believe that the reduction in the prison population will take place against a background of rising or falling crime rates? Given that, is he confident that he can guarantee public safety?

Sir Alan Beith: The context is of falling crime rates with an 8% fall in recorded crime and a 4% reduction according to the British crime survey. That is the current decline in crime rates.

Helen Goodman: Of course. I shall come to that in a moment.

The overriding point is that we are not convinced that it is for politicians, civil servants or committees—even the Justice Committee—to decide what the prison population should be. It is for the Government of the day to provide prison places in line with need because the justice system is at heart a process. If justice is to be done and seen to be done, people must be confident that it is not subject to artificial constraints. I am worried that setting a target for prison numbers and then adjusting sentencing policy and conviction rates accordingly is putting the cart before the horse, and may do nothing for public confidence in the judicial system.

Dr Huppert: There seems to be an implicit assumption in what the hon. Lady is saying that sending people to jail is a good way of reducing crime. I am worried about

that. She is also talking about setting conviction rates to suit, and I do not where she got that from. I am not aware of any suggestions that people would be found guilty or not guilty based on prison availability.

Helen Goodman: My overriding point is about a target for the prison population irrespective of what is happening to crime rates. I agree that crime rates have fallen, and they did so in large measure because of the Labour Government's excellent policies over the past 13 years. The hon. Gentleman is laughing, but the truth of the matter is that if policy has an impact on behaviour, that is as true of the policies that have been pursued over the past 12 years as it is of any that may be in his mind.

Alun Michael: We are in danger of losing track of the key point because of the slightly partisan approach. Surely, as my hon. Friend says, setting arbitrary numbers is not what will bring success in reducing offending or prison numbers. Doing the right things will reduce offending and reoffending. I suggest that that is the key point of the report.

Helen Goodman: My right hon. Friend is absolutely right, and I am grateful to him for digging me out of that hole.

What is really valuable in the report is the clear emphasis on reducing reoffending, improving rehabilitation services for people with drug and alcohol problems and mental illnesses, and the demonstration that alternatives to custody can be cost effective. Without lower reoffending rates, it will be difficult to make progress in reducing prison numbers, and I would like to echo the Committee's contention that it should be a guiding principle of the judicial system that each offender should be less likely to reoffend after they complete their sentence than they were before. There is likely to be strong agreement on that point on both sides of the House, and I am pleased that polling shows that 72% of the public also believe that more should be done to rehabilitate offenders. Providing appropriate training and education and alcohol, drug and mental health support are all absolutely central to cutting reoffending rates. Although one would not know it from the crude depiction by the Justice Secretary and other hon. Members of the prison system under the previous Government, Labour made real progress, and the report acknowledges that.

I remind hon. Members that today's crime statistics show an 8% fall over the past year, as well as rising confidence in the criminal justice system. Reoffending rates have fallen by 16% since 2000, and overall crime fell by more than one third over the lifetime of the Labour Government. During that time, funding for drug treatment programmes saw a fifteenfold increase, and there was a 26% rise in the number of offenders who successfully completed rehabilitation courses. We trebled spending on prisoner education programmes, and our response to the Bradley and Corston reports showed our commitment to improving mental health treatment for prisoners and the position of women offenders.

Given yesterday's statement by the Chancellor and the savage cuts to the Department's budget, will the Minister assure us that funding for those programmes will not now be cut? I echo the points raised by my hon. Friend the Member for Kingston upon Hull East (Karl Turner) and the hon. Member for Dwyfor Meirionnydd (Mr Llwyd). If cuts are to be made, will that not undo our good work and make serious problems even worse?

We know that the number of front-line staff will be cut by 11,000. That will mean 15% fewer prison staff and probation officers, although the number of prisoners is projected to fall by 4%. Will it be possible to do more work with offenders and cut reoffending rates? The documents published yesterday said that people with mental health problems will be diverted at an earlier stage, and many hon. Members said that that would be a positive development. It will be a positive development if people in the Ministry of Justice have agreed it with their colleagues, and if the NHS has made provision for the additional resources needed. That is another point on which I would like to hear what the Minister has to say, either today or later in writing.

The report also warns that the Government should not move away from contracting probation and rehabilitation services to small organisations with a strong track record. Will the coalition's plans for payment by results not have precisely that impact, with larger groups with good cash flows being better positioned to win contracts and squeeze out smaller competitors? The Government will not be able to make a success of their policy to reduce numbers in prison if they do not redirect resources into tackling the social exclusion that lies at the root of much criminal activity. They must provide the rehabilitative services that offenders need, particularly at a time when we can expect unemployment, and consequently acquisitive crime, to rise.

Much of that spend is outside the Ministry of Justice, but cuts to housing and youth services are likely to be a particular problem. Ministers are clearly using the well-intentioned and prudent proposal to reorientate spending as a smokescreen for cuts in spending on prison places, while failing to invest in the support services that are desperately needed if a more community-orientated approach is to prove effective.

The policy outlined by the Government of cutting spending on probation, rehabilitation and preventive services at the same time as there are significant funding cuts for prison places, is not coherent. As the Committee warns in its report, front-line spending cuts for prisons and probation would

"undermine the progress in performance of both services."

In short, it would simply exacerbate the problems that the report seeks to remedy.

We need coherent, joined-up responses to the proposals that will allocate resources for our prison population and support the investment in prehabilitation and rehabilitation services that we need in order to reduce long-term offending and reoffending rates.

5.4 pm

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): First, I congratulate the hon. Member for Bishop Auckland (Helen Goodman) who is sitting opposite me. We have followed a similar path from our respective Whips Offices to Front-Bench responsibility, and I congratulate her on becoming a shadow Justice Minister. I notice that she did not spend an enormous amount of time defending the record of the previous Administration, which was probably wise.

[Mr Crispin Blunt]

In recounting the record, she commented on the number of courses that people have completed, and the expenditure on programmes. I want to draw attention to one way in which things are changing by saying that those are inputs. We are not going to measure inputs; we are going to measure outputs and what is achieved by the system. We will give those who operate the criminal justice system and in whose charge offenders are placed, as much professional freedom as we can to enable them to exercise their best professional judgment and effect the rehabilitation revolution that we so badly need.

Alun Michael: The Minister makes an interesting point by suggesting that he will measure things by outcomes. That is a sensible way to proceed but he must tell us how he will manage it without the inputs.

Mr Blunt: I would like to draw the attention of the right hon. Gentleman to a passage in his contribution where he talked about methodology. I was trying to write his remarks down, but he went through that part of his speech rather too quickly. He said words such as "the requirement of that methodology", "centrally driven", "clinically measured", "setting targets" and "evaluated annually." I recommend that he go back and look at such passages in his speech, and imagine what that language is like for someone who is on the receiving end of the methodology and targets that flow from it. That is the system we have inherited.

I have talked to professionals in the field, particularly the youth offending teams who are overseen by the Youth Justice Board. The leaders of the youth offending teams spend far too much of their time looking upwards to respond to the oversight that they receive from the Youth Justice Board, rather than looking downwards to deliver their services. If the right hon. Gentleman will forgive me, that is an example of where we have got the balance wrong and where changes are needed. It is the same for the probation service and the performance measurements and targets that are imposed on it. We must move to a system that gives professionals more freedom to exercise their judgment in the best interests of the people in their care.

Alun Michael *rose—*

Mr Blunt: I will give way for the last time, otherwise I will not get a chance to reply to the debate.

Alun Michael: I am grateful to the Minister for generously admitting that he was not keeping up with my explanation. It had nothing to do with the work of the Youth Justice Board; I was pointing out that the simple methodology of partnership working by local people in a local area who work together to identify the problems and produce solutions, has worked through the crime and disorder reduction partnerships over the past 12 or 13 years. The problem with the youth offending teams is not that of looking upwards or at centrally-set targets. The issue is about whether the professionalism exists in the Minister's Department and the Home Office to support that sort of work. I suggest that it does not.

Mr Blunt: Elements of the functions of the Youth Justice Board will be brought into the Ministry of Justice. It is not as though all the people who work for the Youth Justice Board will suddenly disappear in their entirety and we will do without them altogether. That is a highly incorrect caricature of the position. I do not want to get drawn into that argument; in introducing my reply to the debate, I was making a general point about the approach that will differentiate this Administration from their predecessor. Evidence will be used to pursue policies that will focus on what is achieved and what outputs are delivered, rather than a policy that mandates inputs and targets and oversees professionals in the way that we have seen over the past 13 years. In the end, that has enervated people's professionalism and detracted from the important task that we give them in offender management.

The hon. Member for Bishop Auckland asked about prison places. She seemed to be under the impression that we had announced the construction of 10,000 fewer prison places. That is not the case. The only announcement that we made was the deferring of the first of the prisons in the new prisons programme, which was to produce a net increase of only about 2,000 places. It is a new-for-old programme. It would have created five 1,500 place prisons—that is 7,500 places—and would have seen the removal from the estate of 5,500 of the older and less efficient places elsewhere in the system, so the figure is not 10,000; it is 2,000. That decision has simply been deferred, and in any event those prison places would have been highly unlikely to come on-stream during this spending review period. As they were proper privately financed schemes, they will continue to be assessed and there may well continue to be an economic case for them. However, given the other changes that we shall now have to examine in prison capacity, we are looking at closures of other prisons to arrive at a position whereby we can accommodate, in our estimate, about 82,000 prisoners at the end of this Parliament.

We need to remember that we inherited in May a position in which it was anticipated that there would be 96,000 prisoners by the end of the Parliament. There have been some changes to the number of people now being sent to prison. We are trying to identify why the trend has not been rising as steeply as one would have expected through the summer and autumn months. That may have something to do with the change of climate that has come with the end of the political arms race on this issue.

At this point, I should like to draw attention to the Select Committee's report, which stated:

> "If we are to avoid a continuation of the 'arms race' on being 'tough on crime', which dates back to the early 1990s, means must be found for encouraging and informing sensible, thoughtful and rational public debate and policy development on the appropriate balance and focus of resources."

I think that we would accept that the Lord Chancellor has led that change of view, and both he and I now enjoy the warm appreciation of certain sections of the media for having done so, but what is welcome is that the bipartisanship between the two coalition parties now seems to have extended to the principal Opposition party with the election of the new Leader of the Opposition, who specifically endorsed the criminal justice policies of the new Administration in dissing the inheritance of his own period in government as implicitly the wrong approach.

Alun Michael: That is enough spin.

Mr Blunt: Well, I am grateful to receive support, wherever it comes from. I welcome the repentance of the Leader of the Opposition.

Sir Alan Beith: Now that we are having a more rational political debate about criminal justice policy, I hope that the hon. Gentleman and his colleagues will do what they can—we will certainly do what we can—to encourage a more rational debate in some sections of the media. We found when we talked to people in other countries, including Germany and Finland, that the media in those countries did not present the arguments about crime in the way in which they are presented in some sections of the media here, where the argument is always that the sentence should have been longer. In other countries, the issue is debated much more responsibly.

Mr Blunt: If my right hon. Friend can find a way of pulling off that piece of alchemy, it would be extremely welcome. It would certainly be a very welcome development in intelligent policy making. As the right hon. Member for Cardiff South and Penarth (Alun Michael) said, this is a question not just of the Government changing the rhetoric but of Parliament addressing the issue, and now we are in a position to do so because in essence all three main parties are in the same place on going for evidence-based policy making. That is a welcome change from policy-based evidence making.

Tony Baldry: One of the glories of the coalition is that some of our colleagues are wondrously optimistic. The reality is that certain sections of the press never report this issue fairly. Will my hon. Friend acknowledge that what we collectively have to do is to accept that as a given and press on regardless? The proof will come at the end of the day when we have reduced reoffending rates and, as a consequence, reduced the amount of money that we have to spend on prisons. However, the idea that the Poujadist press will suddenly wake up and see that that is good news is away with the fairies.

Mr Blunt: That realism probably reflects my own assessment of the situation. We have to do what my hon. Friend describes. It is our responsibility and duty as parliamentarians to say and do what is right.

Alun Michael: Will the hon. Gentleman give way?

Mr Blunt: Will the right hon. Gentleman forgive me if I do not? Otherwise, I simply will not get through my remarks.

Alun Michael: I will be brief.

Mr Blunt: Well, if the right hon. Gentleman accepts that I will not finish my remarks, I will give way to him.

Alun Michael: I counsel the Minister that now is the time, when there is still something of a honeymoon going on, for him to build bridges across the Chamber as well. Contributions that are a little less partisan and some recognition of the considerable achievements of the last Government would help to create the consensus across the Chamber that will be very important for Ministers in future, as well as for good practice in Parliament.

Mr Blunt: I can well understand, given the quality of the inheritance that we received, why the right hon. Gentleman would be anxious for me to pursue that line.

Let me comment on some of the other contributions to the debate. My hon. Friend the Member for South Swindon (Mr Buckland) made the point that we can be either smart or stupid about our attitude to crime. He spoke about the need for confidence in community sentences, to which I want to return.

The hon. Member for Dwyfor Meirionnydd (Mr Llwyd) was kind enough to take interventions from me in relation to his experience of a veterans court in the United States. I re-emphasise that I shall want to consider the evidence that he provides to me in that area. I just caution him to be slightly careful, in terms of commenting on leaks, numbers of job losses and everything else, about taking the opinion of some trade unions in this area too directly. Their record of accuracy is not highly precise. The National Association of Probation Officers over-estimated the number of veterans in the justice system by about a factor of three.

Mr Llwyd: No.

Mr Blunt: Yes.

Mr Llwyd: With respect, I can answer that straight away. NAPO estimated that about 8,500 service veterans—9%—were in prison. The Government scoping exercise excluded those under 21, reservists, of whom there are many in Afghanistan as we speak, women and those who served in Northern Ireland. If we process them back in, the figure is 9%.

Mr Blunt: I fear not. A very careful study by the Defence Analytical Services Agency assessed the number at 3.5%, but let us not be diverted by that. I was making a wider point about the reliability of the people whom the hon. Gentleman was adducing in evidence. I think that as the position becomes clear with regard to the consequences of the spending review, the probation service will realise that the Lord Chancellor has batted for it in a particularly effective way. If we are to address issues and change the balance in relation to short sentences—we do not expect any savings in terms of the prison system if there are changes in patterns and fewer people being given short sentences—the first thing to say is that we will not end the capacity of the magistracy and the judiciary to use short prison sentences if they feel that that is necessary, but we would obviously hope that their use would be reduced. That means either community sentences or longer sentences. Those are the two alternatives that arise from it, so it would be unwise to assume any reduction in the overall number of prison places required, as a result of a change in policy in that area, because some of the changes will involve people going to prison for longer so that they can be effectively rehabilitated within the safety of custody.

The other point that I want to make to the hon. Gentleman is that the public sector is not the only source of money. I commend to him the social investment model that has begun at Peterborough; it is a model

[Mr Blunt]

that we will wish to widen. If we can get external investors to invest, so that savings can be made—that is much at the centre of the principle of the justice reinvestment report—it frankly does not matter where that extra capacity comes from.

In the end, this is not about just money; there is an enormous capacity in the community. In the voluntary sector, the charitable community and the private sector there are people who want to give their services, in whatever form, to the Ministry of Justice and to the state, to help us with the task of rehabilitating offenders. At the moment, our system is not very good at making it easy for those people to give their services, or to sell them to us, on a not-for-profit or indeed a for-profit basis, to grow this country's capacity to deliver rehabilitation. The responsibility that sits on me now, in terms of designing the policies—on rehabilitation in particular—that we will present in the Green Paper, is to create a system that will make it that much easier for us to draw on the capacity that is sitting out there in the country; to ensure that in co-ordination with the existing state services, in probation and elsewhere, we can deliver a much more effective rehabilitation package than we do today. This is not about replacing those services but about adding to them.

The other half of that process is to ensure that all the existing state services, particularly those delivered at a local level, are co-ordinated that much more effectively, to deliver the interventions that are needed to address the multifaceted problems that normally afflict most people who are on a cycle of reoffending and who need particular help to break free from that.

My hon. Friend the Member for Banbury (Tony Baldry) referred to our right hon. Friend the Secretary of State for Work and Pensions, and to the very good report that he oversaw as chairman of the Commission for Social Justice. Early intervention is not about just the criminal justice system but about what I have described as the entire life cycle of the offender and the potential offender, and that is why I have a place on the Social Justice Cabinet Committee, which is chaired by my right hon. Friend, precisely to start making interventions earlier and earlier in the process. It is about trying to keep children out of care. It is about looking at the whole business of family intervention programmes for when the indicators start arriving, such as when children are excluded from school and are sent to pupil referral units. Good work was done by the previous Administration, and I happily acknowledge that, but we have to encourage a culture in which we invest early to prevent problems later. At the same time, we are of course left with the responsibility of dealing with the problems that we have now, which is why it is essential to create extra capacity, in whatever form we can.

The hon. Member for Kingston upon Hull East (Karl Turner), who I think will make a welcome contribution to the work of the Justice Committee, acknowledged that the previous Administration were perhaps not as tough on the causes of crime as they might have been. When the then Leader of the Opposition coined the slogan, "Tough on crime, tough on the causes of crime," that slogan was empty, as is now clear in his own diaries and in his account. The policies to deliver on that had not been developed when the slogan was coined in 1994, and that is one of the dangers of dealing in rhetoric without there being the reality underlying it and—*[Interruption.]* The right hon. Member for Cardiff South and Penarth is chuntering. The policies began to be developed from that point on, but at that point they did not exist. One has to be careful about the catchphrase that sounds great but does not have the policies—

Alun Michael: That is very petty; that is not true.

Mrs Anne Main (in the Chair): Order. I ask the right hon. Gentleman not to intervene from a sedentary position.

Mr Blunt: There is, however, much in the Committee's impressive report that resonates with this Government's plans for overhauling our approach to the rehabilitation of offenders. We share the concern that the size of the prison population is not just a numbers game, and we want to target investment where it is most needed. Most important, we know that we need to place successful rehabilitation at the heart of the criminal justice system, so that we can prevent people from becoming the victims of tomorrow. The forthcoming Green Paper on rehabilitation and sentencing will set out our plans for bringing about real and enduring changes in our approach to reducing reoffending. It will also bring much-needed clarity to the sentencing framework. I hope that members of the new Justice Committee and the right hon. and hon. Members here this afternoon will find much in the Green Paper that reflects and addresses the concerns raised in this debate.

We face huge challenges, and we will clearly work closely with other Departments. I have been asked on more than one occasion about our relationship with the Department of Health on the issues of mental health and addiction, and I am very pleased to be able to report that the Ministry of Justice is getting great commitment and interest from the Ministers and the senior officials in the Department. I am extremely hopeful that we will be able to build significantly on the position that we inherit.

The excellent report that we have debated this afternoon has already informed the thinking of the new Administration, and I suppose that that is hardly surprising. The report is consistent with the direction of travel in criminal justice, and we will present our views in the Green Paper. But again, it is a Green Paper, and we look forward to my right hon. Friend and the members of his Committee making a contribution in response. There is no monopoly on wisdom in this area, and we are open to listening to evidence as it comes in and to trying to find ways of ensuring that successful approaches to widening rehabilitation can be adopted by the whole criminal justice system. If the new Justice Committee is as well informed and authoritative as the report of the previous Committee, I am quite sure that it will do a signal service to our country during this Parliament.

5.28 pm

Sir Alan Beith: I can assure my hon. Friend that the new membership of the Committee is every bit as compelling as the old in its determination to work hard on these issues, and it has a great range of experience and ability. We have had a very good debate today and I

want to thank right hon. and hon. Members who have taken part, bringing considerable experience to our discussions. Speaking as a Back Bencher leading a Back-Bench Committee, I want to say to the Front Benchers, "Come and join us in the consensus," because I think that the consensus is there. We all have our points of partisan disagreement, which the Front Benchers perhaps tend to emphasise, but the basis for consensus is there.

I congratulate the hon. Member for Bishop Auckland (Helen Goodman) on taking up her new responsibility. I know her well and am sure that she will do a very good job. She has an opportunity, I think, to develop policy, and there is a need to do so, because if we stick with the predict-and-provide approach there will continue to be a weighting in the system in favour of custody, and alternatives will be neglected. Although numerical targets are not the answer to the problem, I really believe that if we do not set ourselves some objectives and remain with the predict-and-provide approach, we will not be able to make the kind of developments that are necessary. I welcome the Government's willingness to do that, but we will be watching very carefully to see whether in a very difficult financial climate the Government and the Ministry of Justice are able to put in place the means to achieve what I think we now agree needs to be done.

Question put and agreed to.

5.29 pm

Sitting adjourned.